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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

H.R. 3072

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1990, AND FOR OTHER PURPOSES

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

TUESDAY, FEBRUARY 21, 1989

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:08 a.m. in room SD-192, Dirksen Senate Office Building, Hon. J. Bennett Johnston presiding.

Present: Senators Johnston, Lautenberg, Harkins, Stevens, McClure, and Kasten.

DEPARTMENT OF DEFENSE

OVERVIEW OF NATO AND EUROPEAN COMMAND

STATEMENT OF GEN. JOHN R. GALVIN, USA, COMMANDER-IN-CHIEF, U.S. EUROPEAN COMMAND

OPENING STATEMENT OF SENATOR JOHNSTON

Senator JOHNSTON. The hearing will come to order. I would like to welcome General Galvin.

It is a personal pleasure for me, General Galvin, to be at the first hearing with you. You have quite a reputation around the defense community as being a soldier and scholar and one who knows the answers—and this is a year where we are going to need a lot of the answers.

Senator Inouye is sick in Hawaii and asked me to preside for him today. I have an opening statement here from Senator Inouye which I will read. I would like to say first that this will be an open hearing and Admiral Crowe will testify at a subsequent date. So you are the star and the only star of today's show, General Galvin.

OPENING STATEMENT OF SENATOR INOUYE

Today the Subcommittee on Defense Appropriations continues its review of the fiscal year 1990 defense budget by hearing from Gen. John R. Galvin, the Commander-in-Chief, U.S. European Command. General Galvin also holds the NATO command of Supreme Allied Commander/Europe.

During the next few weeks, the Appropriations Subcommittee on Defense will hear testimony from several U.S. commanders-in-chief, or CINC's, as they are called. These officers are the United States' principal field commanders, our warfighting commanders.

They command forces from several services and in several instances from Allied nations as well.

The subcommittee has scheduled the CINC hearings because we feel it is important to get the views of our military leaders in the field. Too often in the past we have relied primarily on the testimony of military representatives from Washington and failed to hear the concerns of several commanders in the field.

In 1986, through the Defense Reorganization Act, Congress recognized the importance of the CINC's and enhanced their role in the defense budget process. President Bush's decision to reduce the Reagan defense budget request by $6.3 billion makes it especially important for the subcommittee to hear the CINC's.

It is appropriate to start this review with the Commander-in-Chief/Europe, or CINCEUR. General Galvin oversees four and two-thirds U.S. Army divisions and nine Air Force fighter wings, with a total U.S. active duty presence of 322,000 military personnel.

Defense of Western Europe is primarily considered to be the United States' highest defense priority. Some analysts estimate that over 60 percent of the defense budget is dedicated to North Atlantic Treaty Organization commitments. If war were to break out in Europe again, nearly all of the U.S. ground forces and U.S. tactical air forces would be placed under General Galvin's command.

The level of the U.S. defense commitment to NATO is undergoing its most comprehensive review since the creation of the alliance in 1949. The American people are questioning basic assumptions. They are wondering, "To what extent, to what degree are our forces in Europe there to defend the United States or defend Europe." Moreover, the public and Congress are becoming less patient with the level of Allied defense spending.

The budget deficit is requiring the administration and the Congress to make difficult choices regarding modernization and force structure. For example, the budget proposes that the Air Force deactivate a fighter wing in the United States in order to pay for support of an Air Force fighter wing based in Europe.

General Secretary Gorbachev's decision to reduce Soviet forces may present the first opportunity in many years for meaningful mutual force reductions. Administration and congressional leaders are wondering whether the United States and NATO allies should respond with our own initiatives or if we should be more cautious and wait to see if Gorbachev follows through.

General Galvin, these are exciting times to be CINCEUR. The members of the subcommittee recognize the difficult decisions you have to make. We want to be of help to you and we hope you are going to be of help to us. We appreciate your taking time to appear before the committee.

Your full statement, which I have read and is excellent, will be put into the record and you may proceed as you wish.

SUMMARY OF STATEMENT

General **GALVIN**. Thank you, Mr. Chairman. I have submitted the statement, so, therefore, I will make a very brief comment.

First, on the situation in Europe, I think it is an unusual, and maybe it would not be going too far to say unprecedented, situation there. I see it as viewed by Europeans and by Americans in a logical way, in some cases, and in a psychological way in another.

Logically, we are viewing it as a transition in the Soviet Union down a road which has an end that is not entirely clear, but seems to be irreversible and embodying a great deal of potential for dangerous instability. And, therefore, it would be a good idea, if we do face these instabilities and unpredictabilities in the immediate future, to be a stable and predictable as we can ourselves, to stick with our strategy, support it, and negotiate from a position of strength.

That is the logical side, but there is also a psychological way to look at the situation, which is that we have been under a great deal of pressure for 40 years from the Soviet Union. Now that pressure seems to be gone, and in fact is gone, and there is no need any more to worry about that. I call that psychological because a lot of people would hope and wish they did not have to worry about such things.

But I would say that the logical approach is far better, and we do have a great deal to think about as we go into this next phase. In our alliance in Europe, our collective defense in which we are involved, I think that we are on the right track, the Harmel track, which is to stay strong but to negotiate. In staying strong, we have to look at our strategy and say, Is it still a good strategy?

As I say in my statement, in the paper, I believe it is a very good strategy, not because I cannot think of any other one—in fact, I can think of a lot of other ones—but I cannot think of one that is better for us than the one that we have. It has been flexible over 20 years, since we moved away from the tripwire and the massive retaliation strategy. It needs, however, to be resourced in order that we can maintain the position that we need to have at the table when we go into the conventional stability talks, which should begin in Vienna very soon, and as we pick up and continue the other negotiations on arms control with the Soviet Union and the Warsaw Pact.

In order to resource that strategy we have to recognize that it is a nuclear strategy. It is not the conventional orthodox, classical strategy which would be taught in the war colleges over at Fort McNair or at Leavenworth or in the Air War College at Maxwell or by the Navy up in Rhode Island.

What we have for our strategy is forward defense, because it is a collective strategy. It is based on satisfying the desires for security of those nations that are allied with us that abut the Warsaw Pact, such as Norway, the Federal Republic of Germany, Greece, and Turkey. But it is also satisfactory, and has been for years, for all of us in terms of a collective strategy.

But it does say that we will not try to match the Soviets tank for tank on the battlefield, but that we will announce to the Soviets ahead of time that we will not allow our defense, the cohesion of our defense, to be broken, that we will resort to nuclear weapons if necessary. That has been a deterrent to war for 40 years. I think it has worked better than anything else before, and it can continue to work that way.

But it does need support. Also, it is a reasonable strategy in terms of continuing to deter war, even if a war started, because the most important thing to do then would be to deliver the message necessary, saying to the Soviet Union and Warsaw Pact, cease this war. I believe myself, with the years of looking at this strategy, that it cannot be beaten as a strategy for us within the collective of the NATO alliance.

The strategy requires us to continue to modernize our weapons, because the opposite of modernization is obsolescence, and we do not want our troops to be facing a modern adversary and not have the capability to defend against that adversary. This means, then, that we still continue to need progress on the follow-on to Lance and the tactical air-to-surface missile, and the nuclear artillery.

On the conventional side, we have a number of requirements. I have listed those in my paper. I would not go into those unless there are questions about it. But basically we need to support the close battle and the follow-on forces attack; that is, the close battle and the ability to interdict the movement and the momentum of oncoming forces which have not yet arrived at the front line, oncoming enemy forces.

That also is a good operational concept. It is one of which the Soviets have taken due notice, and I think it greatly helps in the deterrence of war in addition to increasing our capability on the conventional defense.

The last point that I would make is that I have discussed only the part of Pierre Harmel's advice to us to stay strong. The other part is to be willing to negotiate, be willing to dialogue with the other side, be ready to go to the table, and I think we should, because our aim should be to deter war.

One of the best contributions to that aim is to lower the level of confrontation in Western Europe, and the way to do that is to lower the level of armaments. I solidly support this move now to the CFE, or conventional forces in Europe talks, while we continue to look at other ways to lower the level of confrontation in Western Europe and continue with the peace that we have had there for 40 years.

Thank you, Chairman, for this opportunity to say a few words in the beginning. I am ready for whatever questions you might have.

[The statement follows:]

STATEMENT OF GEN. JOHN R. GALVIN

Mr. Chairman and distinguished members of the Senate, I welcome this opportunity to contribute to your study of the nation's defense requirements. As Commander-in-Chief of the United States European Command I am responsible for US military activities in Europe and most of Africa, an area that includes 77 countries. To carry out that mission I command 322,000 American soldiers, sailors, Marines and airmen, and supervise 150,000 civilians who work for the military. In addition to commanding US forces in Europe, I serve as the Supreme Allied Commander Europe, responsible to the North Atlantic Treaty Organization. My primary mission in both of these roles is to deter war and to maintain the peace with freedom that the West has enjoyed for forty years, or—if that peace is broken—to defend by employing the military forces of Allied Command Europe.

SITUATION

As we look at the international environment today, it is clear that we are entering a period of flux and uncertainty. There are great changes taking place in the Soviet Union and Eastern Europe, changes in the economic systems, the social structures and perhaps even the political institutions. Exactly where this change will lead, however, no one—not even President Gorbachev—knows for sure. The only thing that is clear is that as the Soviet Union changes it will pass through unpredictable periods of potential instability.

These changes were not brought about by chance. The strength and determination with which NATO has met the most massive peacetime arms buildup in history, and the unity with which the Alliance has met a series of Soviet challenges in Europe and elsewhere, is a principal reason for the transition now under way in the Soviet Union. At long last we are now seeing an antagonist who is beginning to respond to the measured, rational position of the West which has for years urged Moscow to reduce its forces, to desist in aggression, and to work with us for a more stable Europe at lower force levels.

In response, the Soviets have begun to display a willingness to engage in dialogue and to negotiate. Having realized that the stagnation of their economy is in part attributable to their enormous defense expenditures, the Soviets are seeking to turn necessity into a virtue by declaring their readiness to participate in conventional arms control negotiations. They have learned that sounding bellicose and backing it up with a military force that exceeds any reasonable need for defense only tends to alarm others and motivate them to take prudent steps to ensure their own security. Now they are at least articulating a new approach.

Within the Soviet Union, there is movement toward what the Russian leaders call "new thinking." Glasnost and Perestroika are significant concepts that seem to be shaking a stifling ideology to its very foundations. Governmental institutions, the economic system, and the very social structure are all undergoing change. In regard to the balance of military forces we are hearing terms such as "reasonable sufficiency." We are hearing promises of unilateral conventional force reductions of 10,000 tanks, 5000 of which will come from the forward areas of the Warsaw Pact, 8500 artillery pieces, 800 combat aircraft, and 500,000 men. The non-Soviet nations of the Warsaw Pact have also announced reductions.

These are promises that we hope will come about. But even if they do, many questions remain unanswered. What of the other 50,000 tanks in the Soviet inventory? What, exactly, is meant by a manpower cut? And what of the massive production rates that we still see? President Gorbachev has announced a reduction of 14.2 percent in the Soviet defense budget. But 14.2 percent of what is not clear, since the Soviets defense budget remains highly classified, if indeed it is known to the Soviets themselves. President Gorbachev has also announced a 19.5 percent cut in production capabilities—but 19.5 percent of what is equally unclear. If it were applied to the production of ground systems, instead of producing 3400 tanks per year the Soviets will make 2700—a level that is still nearly three times that of the sixteen nations of the Alliance. Instead of manufacturing enough artillery for four artillery regiments every month, the Soviets will make enough for only three regiments. Intentions are one thing, capabilities are another. The Soviets are saying, "Trust us to fulfill our newly stated intentions." I would like to, but as a military commander in Europe I must also look at the iron on the battlefield and assess the capabilities of the Soviets to do other than what they say they intend to do.

In addition to tanks and artillery, the Soviets are fielding two new types of ICBMs—the SS-24 and the SS-25. They also continue modernizing their short-range nuclear missile forces, notably through the replacement of their FROG system with the more capable and accurate SS-21 missile. They have commissioned their fourth 40,000 ton Kiev class aircraft carrier, and this year will undertake sea trails with their new 65,000 ton Tblisi class carrier. Their recently fielded Blackjack bomber is a highly sophisticated aircraft that gives a new dimension to the strategic nuclear force. They are building Foxhound, Flanker, and Fulcrum fighters at an accelerated rate. New and increasingly silent submarines are being produced at the rate of nearly one a month. This equipment is a collective demonstration of first-class technological expertise. It is highly capable, highly lethal, and in numbers far exceeds the forces necessary for the defense of the Soviet Union or the Warsaw Pact.

The question before us is: "How do we face a situation as potentially dangerous as this?" My view is that we do so by remaining strong and steady, by continuing our policy of fielding only the minimum number of weapons and troops needed to ensure our security. If we do this, then instability and unpredictability in the East can be met with stability and predictability in the West.

Our European Allies face the same task and contribute to the common security in two ways. First, they provide substantial forces to the Alliance. Of the 22 divisions currently deployed on the central front, for example, 18 come from our NATO partners. In the event of hostilities these nations initially would provide 90 percent of the manpower, 75 percent of the tanks, 90 percent of the artillery, and 80 percent of the combat aircraft.

Equally important, but less well understood, is the nonmonetary contribution our Allies make. In the Federal Republic of Germany, a country the size of Oregon with the population density of the Eastern seaboard, there are nearly 900,000 men and women under arms. These forces participate in over 5000 field exercises per year and make over 110,000 low level training flights annually. Even with these contributions, however, there is no doubt that in many nations of the Alliance there is room for improvement. While it is true that simple focusing on one statistic is an inadequate way to gauge a country's contribution to the common defense, there are a number of subjective assessments and objective measures that, when combined, can serve as useful indicators. Last December the publication by the NATO Defense Planning Committee of the report entitled "Enhancing Alliance Collective Security: Shared Roles, Risks and Responsibilities in the Alliance," called for more equitable contributions to defense. Unlike previous reports, this document not only identifies specific weaknesses for various countries, but proposes an action agenda for the coming years. The analysis is fair and objective and deserves our full support. I note that even the U.S. has not fully met its commitments. We must all do more. As the recommendations of the report are implemented they will provide for a more equitable distribution of roles, risk and responsibilities.

As we consider the issue of burden sharing it is vital to remember that the United States maintains forces in Europe and contributes to the common defense for more than altruistic reasons. Europe—economically, culturally, historically and politically—is vital to American security. U.S. citizens have a greater financial investment on that continent than they do in any other are of the world; nearly one-half of America's foreign direct investment is in Europe. Foreign trade with the nations of the North Atlantic Alliance exceeds that with Asia, the Middle East or any other area. There are, moreover, strong cultural and historical ties between the United States and the European members of the Alliance. Nearly half of those Americans claiming single-nation ancestry list one of the European NATO nations as their cultural home. But perhaps the most important reason for the American interest in Europe is that we share with our European Allies the democratic system of government that is so central to our way of life.

Preserving that system of government is our objective. If possible, we hope to protect it through the deterrence of war, but if necessary, we must be ready to defend it. Twenty years ago Pierre Harmel gave us a formula for accomplishing this task. He said we should do two things: stay strong and be prepared to negotiate. Harmel's advice remains valid and appropriate in today's world.

STRATEGY

The first step in staying strong is to ensure that we have the right strategy. Very often today you hear voices calling for a "new strategy." They state this as if NATO has unthinkingly locked itself into an invalid approach, or a strategy that no longer fits the times.

We have today the strategy of flexible response and forward defense. From a military viewpoint this is not the classical defensive posture. It does not trade space for time. It does not allow attacking forces to come in deep, revealing the objectives of their attack, so that we can then shift appropriate forces to deny them their objectives. It is not a defense that allows for economy of force along some sectors of the front so that we can channel an attacker and defeat him in time. It is just what it says it is: a doctrine of defense at the forward reaches of our territory. We do not allow any operational penetration.

But we have a flexible component to our defense, and that flexibility comes in our willingness to meet any attack with an appropriate level of defense. This concept is central to the primary objective of our strategy, to deter war in Europe. The best way to deal with the specter of war is to prevent it from happening. If deterrence fails—and it has not since the foundation of NATO—then the Alliance must be prepared to defend. The more we can show the ability to do just that, the less likely it is that deterrence will fail. In other words, in order to achieve our objective of deterrence, our defense must be credible.

If our strategy is correct—and I believe that it is then we must dedicate the resources to support it. In recent years we have made great progress. Our conventional modernization programs have enhanced significantly our ability to execute our strategy. In the air, on land, and at sea we have fielded a capable fighting force that can deter and, if necessary defend, in Western Europe. But the Warsaw Pact, now and through the foreseeable future, will maintain a military force far beyond what is needed for defense. To continue to deter, and to be prepared to defend, we must continue to upgrade and modernize our equipment in both the conventional and nuclear arenas. In the technological age in which we live small advantages can make a vast difference. The fighter aircraft with slightly better electronics and greater maneuverability will sweep the skies. The tank that can fire one second faster than its opponent wins on the battlefield.

CONVENTIONAL FORCES

The strategy of Forward Defense and Flexible Response dictates that we should be prepared to defend Alliance territory at the border. Our forces must have the capability to fight the close battle on the front line, and the deep battle in the enemy's rear area. Of the 22 complete divisions on line in Europe, four are American, with an additional two regiments as a covering force. Together with our air squadrons, these forces constitute some of the greatest combat power in NATO. But strength is a relative measure. As the other side modernizes, we must modernize. Our forces cannot deter and certainly cannot defend without the proper equipment, training, sustainment and reinforcement.

The first requirement of our conventional forces is to prevent a breakthrough by the first strategic echelon of the Warsaw Pact. This means that we must have adequate early warning to put our forces in place, and adequate firepower and reserves to allow for victory in the close battle. That requires the right number of mix of units with the proper equipment to meet and hold a massed Soviet/Warsaw Pact mechanized force at the tactical level. To accomplish this task we will rely on a variety of weapons systems including modern attack aircraft, a capable air defense system, and an improved ground combat capability. To these we need to add the Forward Area Air Defense System (FAADS) to improve our ability to defend against enemy air forces, the Advanced Antiarmor System (medium and heavy) to enhance our ability to engage the newest generation of Warsaw Pact armor, and the Multiple Launch rocket system (MLRS) to fire on area targets.

Even with all this, however, we will not be able to hold unless we can delay and disrupt the second strategic echelon of Pact forces that will be trying to reinforce the close battle. If we do not break up and slow the operational maneuver groups and other Soviet reinforcement and exploitation forces, the attackers could rip a hole in our defenses. Fighting the deep battle is a complex process which begins with the identification of enemy forces with systems like the new Joint Surveillance Target Attack Radar System (JOINT-STARS) and the TR-1 Tactical Reconnaissance System.

The information gained by these and other methods must then be collated and turned into usable intelligence with systems such as the Battlefield Intelligence Collection and Evaluation System (BICES). In general we need timely, integrated, all-source intelligence systems that fuse, analyze, and disseminate timely targetable battlefield information. Together these capabilities will make a major contribution to our ability to interdict enemy forces, and to execute deep battle and Follow-On Forces Attack.

Attacking these deep targets will be aircraft such as the F15E and the F16 which, when equipped with the requested Low Altitude Navigation Targeting Infrared for Night Flight (LANTIRN), will be able to strike targets at night and during periods of limited visibility. Just as important, the new Army Tactical Missile System (ATACMS), the infiltrated Special Operations Forces can provide alternative methods of striking deep targets.

To integrate the close battle with deep operations effectively, and to enable the conduct of joint and combined operations we need to upgrade our command and control assets. Key programs such as secure jam-resistant voice improvements, MILSTAR, Single Channel Ground-Airborne Radio Systems (SINGARS), WWMCS information system, and Joint Tactical Information Distribution System (JTIDS) should remain on track. In concert, these systems make it possible for our fighting units to exchange battlefield information using digital communications that is highly survivable and jam-resistant.

All of these systems, however, whether designed to fight the close, rear or deep battle, require ready forces and adequate sustainment.

The next task is to make the most of the forces we have by setting and meeting the highest standards for manning, equipping, training, maintaining, sustaining and reinforcing. Readiness and sustainability are the keys to first holding against the lead attacking echelon of the Warsaw Pack and then prevailing over a numerically superior enemy.

To integrate all of the complex weapon systems into a cohesive defense, it is' important our forces train intensely and efficiently at every level. I am studying ways to capitalize on computer and simulation assisted training to teach the proper principles and techniques at all levels, from the lowest units to the highest. We are working to develop operational proficiency at the top—at echelons above corps—as well as highly proficient tactical commanders. If we do this right we should be able to decrease the size of some exercises with no less in readiness and with less damage to the environment.

We cannot hope to win a conflict of any duration without adequate reinforcement and sustainment. In Europe, the overwhelming majority of reinforcements flow across the Atlantic. Immediately needed troops will come by air. The C-17 aircraft will provide this needed inter-theater and intra-theater capability. But the vast majority of required supplies, equipment, and additional reinforcing units (nearly 90 percent) will come by sea. We need a major improvement in our sealift capabilities. Surface effects Fast Sealift (SEFS) ships at speeds of 55 knots, for example, hold the potential to cut the cross Atlantic transit time from 10-19 days to 3 days.

With your support, the programs jointly prepared by the Services and CINCs will enable U.S. forces to maintain marginally acceptable levels of sustainment support, although I would prefer higher levels. We have made progress in several key areas: improved Wartime Host Nation Support from our Allies; filling of POMCUS; drawing closer to delivery of C-17's; improving wartime medical care capability, improving our forward deployed CS/CSS units and providing storage for war reserve materiel; and Collocated Operating Base (COB) agreements making existing European airfields available to U.S. reinforcing air units during wartime while ensuring their ability to sustain operations. But we are not where we should be. Shortfalls continue to exist in all of these areas. The United States has committed itself to be able to provide ten divisions in ten days for the defense of Europe (the "10 in 10" concept). We have yet to fulfill that commitment.

It is very important that we have the proper ammunition in the right quantities at the right time and place on the battlefield to conduct a successful defense. The air battle requires the Navy's Phoenix missile, the Air Force AIM-9 Sidewinder and the joint Navy/Air Force AIM-120 advance medium range air-to-air (AMRAAM) missile. To penetrate Warsaw Pact reactive armor the ground forces need a 120mm smooth bore main gun for the Abrams tank and the Apache Hellfire missile.

Today, because economy is being stressed, there is a great temptation to push funding for spare parts, ammunition and support into the "out-years." I ask Congress to preserve the progress made in recent years. Warsaw Pact forces deployed against the Central Region of NATO already have sixty to ninety days of operations spares and supplies forward deployed. Our own sustainability stocks in Europe do not compare. Our greatest weaknesses- are in the areas of strategic sea and air lift, war reserve stocks of preferred munitions, spare parts and equipment and the readiness of support forces. It would not be fiscally responsible to ask for a complete overhaul of support forces, despite the overwhelming need. But it is crucial that we not degrade existing levels of readiness and sustainability. No forces, however large or modern, can prevail without adequately trained people and the necessary facilities to service and repair equipment and to distribute supplies to combat forces.

We can ill afford to reduce further our now marginal readiness and sustainability. such a course would lead inevitably to hollow armed forces and a vulnerable nation. Thanks to the support of Congress, we are just recovering from having pursued such a course in the 1970's. It is tempting to take a disproportionate share of reductions from the readiness and sustainability accounts because cuts in those accounts translate into immediate savings. But that temptation is much easier to resist if we remember that cuts in readiness and sustainability also translate into an immediate loss of deterrent and operational capability.

NUCLEAR FORCES

The strategy of Forward Defense and Flexible Response does not rely solely on conventional forces. No leg of the NATO triad stands alone. Each is closely interrelated to the other. Our conventional forces must be strong enough to allow careful and considered-decisionmaking by our leaders. It should be strong enough to prevent quick success by an attacker seeking to achieve operational an strategic objectives with conventional forces alone before NATO has time to react.

In the nuclear arena there is one clear priority—the continued modernization of our theater nuclear weapons. In 1983 the NATO Defense Ministers agreed to reduce unilaterally NATO's nuclear stockpile by 1400 weapons. This reduction, combined with the previous unilateral reduction of 1000 weapons, brings NATO's nuclear stockpile to its lowest level in twenty years. At the same time Ministers identified a modernization program to ensure that the Alliance retained systems which are effective, reliable, and survivable. These requirements remain valid today. We need to upgrade 155 mm artillery-fired nuclear warheads, acquire the SRAM-T tactical air-to-surface-missile for dual capable aircraft, and develop the Follow-on to Lance (FOTL). This modernization is an important part of our current Allied Command Europe nuclear weapons requirements study which could result in a sizeable reduction in our nuclear stockpiles without any loss in the credibility of nuclear deterrence.

While our goal is to decrease reliance on nuclear artillery, a need for some of these weapons will remain. Modern nuclear projectiles contribute to deterrence by providing a capability to respond to threatening "breakthrough" concentrations of Warsaw Pact armored and mechanized forces, thereby denying the Pact the offensive capabilities to strike deep into NATO territory.

SRAM-T allows better aircraft penetrability. More of our heavily burdened dual-capable aircraft would survive with the greater standoff potential and we could hold high-value, deep targets at risk with weapons systems based in Europe.

Our current Lance is aging rapidly. We have upgraded it as much as we can. If we do not take the research and development steps soon, our missile-based nuclear forces will become obsolete in the mid-1990's. Unlike aircraft, which are readily targetable at a small, fixed number of air bases, Follow on to Lance with an enhanced range could hide in hundreds of places, and would have the reach to make it an effective deterrent.

ARMS CONTROL

In recent months, the Soviets have made some momentous admissions. The first one was by General Akhromeyev, former chief of the Soviet General Staff, who, when speaking at the Council on Foreign Relations in New York city last summer, said that up until then the Soviet military had been offensively postured, but that they are going to change to a defensive posture. Then, last December, President Gorbachev in his U.N. address pointed out that by removing 5000 of the 10,000 tanks in the forward area he would be shifting to a defensive posture. These are admissions of something the Soviets long have denied, that they have been an offensively postured military power.

Not only have they made these admissions, but they have established the precedent that the bigger side must come down first. The INF Treaty was a victory in that regard. The Soviets are destroying 1,846 missiles to our 846. The Gorbachev promise of unilateral conventional reductions reaffirms that precedent. But it should not obscure the fact that even with these reductions, the Warsaw Pack will remain vastly larger.

The negotiations on Conventional Forces in Europe (CFE), due to begin in March, will be a major forum for arms control discussions. While the first steps in Vienna must be an agreement that leads to large asymmetric reductions on the part of the Warsaw Pact, there are extremely important dynamic considerations that will require careful analysis by military experts. Initial numbers are, in many respects, less important than the rate to which either side can mobilize, bring in reinforcements, and equip them for sustained operations. How the numbers flow over time has a critical effect on the amount of warning time we can expect, and how much surprise the Soviets might be able to achieve. Further complicating the assessment, the dynamics change from year to year. What the Soviets can mobilize in 1989 at M+15 and M+30 may very well be different than what they can mobilize in 1991 or 1999 in the same time periods.

We fight today with combined arms, the integrated efforts of air, land, and sea. While Soviet ground forces remain formidable, we also have to be concerned with their air power. The Soviets like to say that we have advantages in the air. This is simply not so. By Soviet accounts, they do not include their home interceptors in the balance of air power. Yet these 1700 aircraft can be very quickly redesignated as fighter aircraft, with virtually no change in the hardware. Their pilots are trained for such a contingency. President Gorbachev, moreover, tacitly conformed this assessment when he announced plans to remove 800 aircraft from Eastern Europe. Therefore, they have advantages in the air, as well as the ground, that must be taken into account.

The Soviets also like to play up the superiority of the West's navies. But this ignores the fact that it is ground forces that take and hold terrain. It also ignores the fact that we have a 3000 mile ocean that separates many of our ground forces and their sustainment from the area that they will have to defend. We know that trying to defend lines of communications that stretch across the ocean requires strong naval forces. In the early months of 1942, no more than 13 submarines were able to sink 307 merchant ships in American coastal waters, despite a prevalence of allied combat ships. In the first 30 days of hostilities, we would have to send 1000 shiploads of men, equipment and supplies across the Atlantic. Ninety percent of what is needed must come by sea. That will require a great deal of protection nd a strong navy. Of course, you do not protect shipping merely by providing convoy escort. You protect them by keeping opposing naval forces out of the North Atlantic.

While conventional arms control negotiations offer the opportunity to enhance security and stability at lower force levels, we cannot ignore the fact that there are some risks involved. The first risk we run is in tampering with our strategy. We have carefully considered the best strategy for our Alliance and have concluded that it remains forward defense and flexible response. As we negotiate, it is important to understand that an arms control agreement could affect our ability to execute that strategy.

The second risk deals with our force structure. The effectiveness of a force is measured by a variety of means: reinforcement capabilities, sustainment, doctrine, strategy, tactics, organization, and training. No part is independent of the others. If we negotiate changes in one of these areas, we should be aware of its implications for the others.

The third risk we encounter has to do with our ability to verify any agreement. This is a tough area; in conventional arms it is much harder than it is for nuclear weapons. It would be impossible to have a 100-percent inspection of all conventional forces. There are just too many things to check. It would be inordinately expensive, and may not tell us what we need to know. We are already spending a great deal of effort on verifying the agreements under the Stockholm Accords and the INF Treaty. To do it right requires a substantial overhead—Russian speakers, escorts, accommodations, communications, and transportation, to say nothing of the money and manpower required. Verification of conventional arms control agreements will be even more difficult.

Assuring compliance with chemical weapon agreements would also be hard Since the major ingredient in chemical weapons is alcohol, and since there are so many ways to produce them, adequate verification will be very difficult. Yet it would be vital to have way to ensure that all nations are meeting their obligations.

While negotiations on conventional forces offer solid opportunities we must not treat them as a panacea, for there are risks. These risks must weigh heavily in the negotiations. If we do not move through them intelligently, then we could end up worse than when we began.

TAKING CARE OF OUR PEOPLE

The most valuable resource we have in the military is the men and women in uniform. We have an obligation to take care of these servicemen and women as well as their families by providing them with adequate compensation, medical care, housing, schools, family care and adequate MILCON support for appropriate support for adequate working, living, and recreational facilities.

These young men and women serve with discipline and loyalty so that their countrymen might live in peace and security. They often make sacrifices of their own well-being and life styles that would be intolerable in the private sector. They are a proud group who have volunteered for duty and who serve with dignity. We we them just compensation for their contribution.

Recent budget cuts have already forced us to extend tours overseas, to delay promotions, to reduce family support programs, child care facilities, libraries and recreation centers, to reduce funding for morale, welfare and recreation facilities and to delay or cancel needed school construction. We must be sensitive to the impact these budgetary reductions are having on the morale of our service members and their families. We should continue to be a nation that is prepared to meet its responsibility to our citizens in uniform. We should not allow further reduction in the budgeted programs.

CONCLUSION

As we face the tough challenge of funding a prudent level of deterrence, we must not accept false solutions which destabilize, increase the risk to Western security, reduce our commitments to Allies and friends, or in other ways fail to meet our defense needs. During the course of the budget deliberations this year, several significant events will unfold in Europe. This year will mark the beginning of the much-heralded and long-awaited negotiations on conventional forces in Europe; continued implementation of the INF Treaty and most significantly, the celebration of the fortieth anniversary of the North Atlantic Alliance, marking the longest period of continuous peace and security for Western Europe in modern times. This has been no accident of history, but rather the fruit of hard, careful, and unrelenting labor by western statesmen and soldiers.

As we celebrate this important event, we need to remain mindful that U.S. forces are forward deployed in Europe because it is in the U.S. national interest. Those forces have to be maintained and supported to counter the threat posed by the Soviet/Warsaw Pact forces they face. We cannot create a European presence which serves only as a tripwire for employment of nuclear weapons. Our goal should be to enjoy many more anniversary celebrations for NATO.

There are no easy, quick solutions for the challenges we and our European Allies face in deterring Soviet aggression in Europe. I am convinced that our strategic approach, so successful in the past, is correct and continues to produce positive results. Continued peace with freedom in Europe is dependent on the long term commitment to achieve this end. Our collective challenge is to ensure maximum effectiveness of our capabilities. This can be accomplished primarily through updating existing capabilities and by implementing vital modernization programs.

DEPENDENTS IN EUROPE

Senator JOHNSTON. Thank you very much, General Galvin.

General Galvin, as I said at the outset, we regard you as a real resource, someone who can really help us make some tough decisions. Now, having said that, it is a real concern, I know, of yours and of others that we will get caught up in a Gorbamania or Gorbaphoria, whatever they call it, and be lulled to sleep by the blandishments of the Soviet Union and, therefore, delude ourselves of the ability to defend ourselves.

Accordingly, a lot of people in the military say, you know, more from us, more from the Europeans, more from everybody. But the fact of the matter is, if you look at this budget which the President has submitted, in my view it has got about $40 billion phantom dollars in it—$10 billion from interest rates. They project that interest rates will go down about six-tenths of 1 percent every quarter this year, and that is not going to happen. That is $10 billion.

You have got another $17 billion in technical readjustments, which are not correct. For example, they have forecast $2.1 billion for drilling off the coast of Alaska, and while Senator Stevens and I and Senator McClure want to pass that, if we pass that legislation, they do not get 100 percent of the revenues but 10 percent of the revenues, and it will take about 21 months to get that lease-sale together—not to go into details you are not interested in—but that $2.1 billion will not appear in the budget.

In other words, in my view it is about $40 billion of phantom dollars that, whether it is $25 billion or $30 billion or $40 billion, or whatever it is, this problem is going to hit the Congress at the same time we are saying, "No new taxes."

And my guess what is going to happen as a practical matter is that the House is going to face up to that and do so probably by cutting defense an extraordinary amount. If I had to pick a figure that I think the House will come up with, I would say maybe $290 billion, maybe even as low as $285 billion, in outlays, which is a tremendous cut. And we are going to be flailing around trying to find some real cuts.

Now, as I look at this budget overall, we have got to find some places to cut some serious dollars in defense. The thing that just jumps off the page at me is the number of dependents and civilians in Europe. I know that was thrust on you by a policy made in the

Congress, but, General, it seems to me that having—what do we have over there in terms of dependents, 300,000?

General **Galvin**. A little over 300,000.

Senator **Johnston**. And that has been increased by 27 percent, I think, under this last administration.

We are still waiting for the breakout of the cost we required in our bill last year, that that cost be set forth. That is, to me, a fantastic cost which can be pared not only without hurting our defense capabilities but by increasing it.

Now can you tell me how you would get those dependents out of Europe if the balloon went up?

General **Galvin**. Well, in discussing how they would be removed from Europe, my first comment on that, Chairman, would be that we have noncombatant evacuation plan that we have exercised over and over for years, and the basic way of getting people out if the balloon went up is to take them out on backloads of empty aircraft going back which have brought over reinforcements coming in.

But I would like to mention that it is not just the 300,000 dependents. There are, at any given time, about 1.6 million Americans in Europe that the State Department says would have to be backhauled from Europe if the balloon went up. That includes the tourists and the businessmen and a wide variety of categories of people, of which there are also 300,000 dependents.

But there is a plan to do that. The plan is exercised on occasions by places, not all together at once, of course.

EVACUATION OF EUROPE

Senator **Johnston**. You do not have a high degree of confidence that you can get them out, do you?

General **Galvin**. I think that I do have a high degree of confidence that we could get them out. If I did not have that, I would be coming up on the net and saying something about it. I think we can get them out.

Whether we get 1.6 million people out, a lot of it is going to depend on whether they want to come back, the businessmen, whoever else.

Senator **Johnston**. I am not talking about the businessmen; I am talking about all those dependents there.

General **Galvin**. We have a solid plan to get the dependents out. We have worked it over and over again for years. I have worked it at a variety of levels myself ever since I was over there in units 15 years ago.

Senator **Johnston**. Well, so far you have not convinced me, and we do not have time to go into it in detail. I would like to get that in writing. I just do not believe that you can get that many people to Rhein Main Airport. In the first place, they are going to be bombing Rhein Main or Wiesbaden or wherever, and that is the first place they attack. The roads are going to be clogged.

Are you saying you need all those dependents, that we needed to increase that by 27 percent?

General **Galvin**. I am saying we need all the dependents that we have in Europe, Chairman. I would like to make some comments about it, if I could.

Senator **Johnston**. Yes, please.

General **Galvin**. First of all, we changed ourselves sometime back from a single armed force, when we were 15 percent married, a few years ago, to a married armed force when we went away from the draft and into the volunteer Army. We are now 55 percent married. That is a big difference from 15 percent.

We could say the dependents cannot go overseas. We could say that we will not support the dependents overseas. But we have already seen what has happened in the past on that, and that is that we cannot forbid the dependents go overseas, and many of the dependents probably would join the rest of their family overseas. And then we would have the question of would we then deny them the support that the other dependents have.

It would be a very difficult situation for us all.

SIX-MONTH TOURS

Senator **Johnston**. It has worked out pretty well in Korea with 6-month tours, has it not?

General **Galvin**. Yes. There is a difference. First, it's a 12-month tour and in Korea you have one division. In Europe you have four divisions, two regiments, and two corps. There is a large difference.

Senator **Johnston**. Well, the two corps—the divisions make up the corps. I mean, you do not have two corps plus four divisions.

General **Galvin**. Well, a corps also has a number of other elements.

Senator **Johnston**. That is true.

General **Galvin**. Let me give you an example. A division is about 18,000, but Seventh Corps is 83,000.

But I would say this. I would say that if we take the dependents out—and I have really tried to look at this as constructively as I possibly can, and I have done a lot of thinking about it—if we take the dependents out, we have to realize some of the other things that we will inherit from that.

One of them is that you will have a shorter tour, which will have its inherent costs—I mean money costs—to get into the transportation question of increasing by a factor of three. Now people go for 3 years, but then they would probably go for 1 year and you would have that tremendous in and out going on.

You would have additional problems of discipline with 326,000 U.S. military forces in Europe without families and 55 percent of them married.

DISCIPLINE IN EUROPE

Senator **Johnston**. Is discipline in Europe better than in Korea?

General **Galvin**. I beg your pardon?

Senator **Johnston**. Is discipline in Europe better than in Korea?

General **Galvin**. I think discipline is about the same all the way around. But you do have a different situation, I think, between Europe and Korea. In Korea, forces are more isolated and not stationed right in towns like Mainz, Wurzburg, Frankfort, Munich, and so forth.

TOOTH-TO-TAIL RATIO IN EUROPE

Senator **Johnston**. It just seems to me, General, and I was there a long time ago, that there is an uncommonly large tail-to-tooth ratio in Europe. I mean, all of those dependents we have to feed and house and have PX's and little league baseball teams and dentists and doctors and china and crystal and beds and all of that. And it is just a huge number of these people are taking care of the civilians.

Back in the 1950's when I was there, it was not anything like it is now. I mean, at that time you were not guaranteed concurrent travel and most of the enlisted personnel, except on the higher end of that, did not have their dependents there. Discipline was pretty good.

I mean, just the cost of this thing, I am afraid we are going to end up taking out the tooth when the House comes up with this cut and we are going to have to meet them halfway somewhere. I am afraid some weapons are going to have to go in order that we can maintain dependents and civilians who take in the laundry for the dependents over in Europe.

I must say that the Senate probably agrees with you because there are a lot of votes involved in the military personnel who vote absentee. But to me it is clearly wrong.

Let me ask you one more thing before I turn it over to Senator Stevens. On the question of burdensharing, the Congress has spoken. We have asked to appoint a special ambassador for burdensharing. In your statement you say, in effect, that everybody needs to do more, including the United States.

Well, I mean we cannot do more, General, not with this kind of budget, not unless the President is willing to submit a new budget. You cannot make dollars out of nothing. The President's budget is going to represent the high water mark, the zero real growth. He knows that. Everybody knows that.

Is it not possible to get our NATO allies to do more? The Germans do probably better than anybody, and they are, what 5.5 percent, 5.4 percent of their GNP. And one thing that is not taken into consideration is the salutary economic effect of having all these American troops over there.

I was in a small town in Louisiana this week and we are trying to get in an industry there. We are willing to give them a free building and no taxes and all of this just so we can get those jobs in. Well, all those jobs now are in Germany and in NATO and contributing to their economy.

Is there not something more we can do over there, in your view?

General **Galvin**. I think that there is more that the European nations of NATO can do. When I said that there was more that the United States could do, what I was really referring to specifically was the ability to reinforce in Europe.

My two biggest problems are to get reinforcements and to get sustainment, such as ammunition and so forth. You know, when we brought back some of our forces before, we then asked the Germans if they would provide some host nation support. We asked them for almost 100,000 troops that would be involved in supporting our troops. The Germans said that this would force them into a tough choice. They would either have to take 100,000 troops away from combat in order to provide our support or they would have to not support us.

We told them that if they would take the 100,000 troops away from their combat capabilities in order to put them into the Reserves to support us with the host nation support program that we now have—the figure is actually 93,000 troops—we would ensure that we would be able to get 10 divisions to Europe in 10 days. In other words, there are four over there now, but with 10 days' warning of a war we would make sure we could get six more there.

We do not today have the capability of getting those six divisions to Europe in 10 days. [Deleted.] So that is the kind of thing that I mean.

There is no doubt that we have made enormous sacrifices to support the strategy.

Senator **Johnston**. But sealift is your biggest single requirement, is it?

General **Galvin**. Yes. It is the biggest single one, but it does not mean that it is the only one, by any means. When I go and talk to the JCS and the Department of Defense, I lay out about 10 areas that really need work. But of those 10 areas, the one that needs the most work right now is sealift.

SEALIFT

Senator **Johnston**. General, we continue to turn out M1 tanks at, I think, 720 a year—well, whatever it is, 600, 720. We have been as high as 720. But, in any event, we do not really have a way to get those tanks to Europe, do we?

General **Galvin**. Not in the timeframe I would like to see them get to Europe. We certainly have a way. There is a NATO fleet of 400 ships. There is a reserve fleet of ours of 91 ships. There is a fast logistics fleet of eight ships.

The point is that the timing is still not what I would like to see it be.

Senator **Johnston**. Relatively speaking, we ought to put more in the sealift and less on the tanks, I mean if you had a priority between the two?

General **Galvin**. Well, my priorities as I would state them would say that I have a requirement for more sealift right now. That is my top priority in order to get a better situation from what we have now.

Chairman, could I make one other point about the dependents in Europe? It is a point that I wanted to make, and I did not manage to say it.

I do think that we have to look at the quality question. You mentioned the 1950's when you were there and you mentioned there was not much of a discipline problem. But if you really look at the statistics from the 1950's to now our Armed Forces are so different, and there really was a much greater discipline problem and we had all kinds of things going on in the 1950's that do not go on today.

So we have 43 percent of the Army, for example, stationed overseas. That means a tanker—it is much higher for a tanker because a tank force is stationed forward to an even greater degree. That means that he spends half of his time overseas. So it would not be just that he would be going over for a 1-year tour; he would be going over for a 1-year tour every 2 years.

So you would not get the same quality people because they would not want to be pushed around that much, if I can use that term. You would get people, but they would not be the quality that you would like to see and that we are seeing right now.

Senator JOHNSTON. Thank you, General Galvin. My time has expired.

Senator Stevens.

GENERAL GALVIN'S PRIORITIES

Senator STEVENS. Thank you, Mr. Chairman.

Good morning, General. I have another meeting, so I will try to be brief.

Your testimony mentions 22 systems that you think are critical to your mission in NATO. We are facing, as the chairman said, a problem of a reduced budget. Is it possible that you could prioritize those systems?

General GALVIN. Yes, sir; I could tell you right now what the top priorities are. I think it is incumbent on me not to just mention 22 but to prioritize them. I would also like to say that in the 22 systems a lot of times you have systems that are at a wide variety of stages of development, as you well know. Some of them might be back in R&D, and I would like to see them coming.

Nuclear. My top priority is follow-on to Lance. After that is the tactical air-to-surface missile, and after that is continued improvement of the nuclear artillery.

On the conventional side, my top priorities are the basic ones: the M1A1, the AH-64, the Bradley, antiarmor munitions, F-15, F-16, LANTIRN.

On the follow-on forces attack, JSTARS and the tactical fusion systems, the Army tactical missile ATACMS, and MLRS. Those are not 22. Those would be the top of my list and in the order that I said them.

Senator STEVENS. I counted about 16, if I kept track.

General GALVIN. If you could only have one, you can see what it would be.

Senator STEVENS. You are not listing them in the order of priority, are you?

General GALVIN. Yes, sir; I am.

Senator STEVENS. In the conventional grouping were those prioritized?

General GALVIN. Those are in the order; yes, sir. And, by the way, that is the same order that I gave to the JCS. When I give it to the JCS it is called the Integrated Priority List.

401ST FIGHTER WING

Senator **Stevens**. That is very helpful. Tell me, in terms of the move of the 401st Tactical Fighter Wing from Spain to Italy, when we first heard about it we heard that NATO was going to fully fund that move. Now I am told that the cost to the defense budget will be approximately $500 million.

In view of the fact that it involves family housing, it involves a training range and other costs, including 4,000 people as dependents, as I understand it, is that really a good deal for us? That does not sound like it is fully funded to me.

General **Galvin**. Well, let me talk to that. The overall cost of that thing is going to be about $800 million. It is funded by NATO first of all, but we are also NATO. And it is funded within the NATO infrastructure program, which we pay a certain percentage of. Our percentage because of our size and so forth runs around 28-odd percent of the infrastructure program.

Also, aside from the base itself, we agreed on two things that we would fund. One of them was the morale-welfare part of it, which would be anything that is associated with that, such as a gymnasium or whatever, and the other one was that over the next 10 years we would lease out—that is, we would purchase through lease—the family housing that is there. But those were aside.

Now the training range and other aspects are not the move of the 401st. That is a separate thing which is a bilateral United States to Italy request.

Senator **Stevens**. How long of an agreement do we have with Italy? We had to leave Spain. How long before Italy will have a chance to kick us out?

General **Galvin**. I am not aware of that particular point. I could try to get that for you. I do not know what the agreement is in terms of the length of time we would be guaranteed to stay in Italy. In fact, I am not aware, Senator, right now that there is an agreement with a specific guarantee like that.

Senator **Stevens**. Well, I am concerned because I also read about the low-level training ban that is in Europe following the accidents over there. That is still going on, is it not?

General **Galvin**. No, sir; the ban was lifted. There was a 2-week ban at Christmas time and it was lifted after that. There is not a ban now.

Senator **Stevens**. I was told it was still in effect and might end in March. It is already gone?

General **Galvin**. No, sir; it is already gone. There were meetings this week, and there will be meetings all the way around until summer to try to see what other arrangements we together can make, the six countries that fly in Germany.

REFORGER

Senator **Stevens**. Did you not cancel the Reforger exercise?

General **Galvin**. We changed a Reforger. It amounts to a cancellation of a Reforger. We did that for several different reasons that did not have anything to do with low level flying particularly or anything like that. If you would like to get into some details on that, I could. It basically has to do with how to train better in an austere environment.

LOW-LEVEL TRAINING FLIGHTS

Senator **Stevens**. I am interested in two things. One is, do we have an agreement we can fly low level over Italy?

General **Galvin**. Yes; we do. We have an agreement to fly low level over all of the NATO countries. We fly a great deal over France. We fly a lot over England. We fly over Belgium, Holland. These agreements are different and some of them I am not entirely happy with; especially in the lowlands, the minimum level is too high. But we have a good agreement, for example, in France and in the U.K.

Senator **Stevens**. I am not unknown as a provincial over here. I wonder sometimes why you train people in low-level, high-performance aircraft over enormous population centers when we have got an area such as mine, one-fifth the size of the United States, that has areas with absolutely no population base where you would have no problem in terms of low altitude training.

Why don't you bring those people from Europe over and train them in the areas that we have got in Alaska and take them back and keep them stationed in Europe?

General **Galvin**. That is a good suggestion. Some of our NATO partners are already doing some of that, Senator, in Goose Bay. We are looking at the Kenya Range in Turkey. We have looked at a number of other places that we could go to do the training.

You need to do some of it in the area where you are actually—that very closely resembles where you would have to actually do your low level flying, but we do a lot out over the North Sea. So we do only a certain percentage, not an insignificant percentage, but a certain percentage, over Germany.

Senator **Stevens**. My memory of the map is that we have in Alaska terrain that duplicate those of Russia and Germany all the way down to Italy. I just really wonder sometimes why we have to run these risks of flying over those populated centers when we have land masses of our own that equal it in terms of diversity of the terrain.

I would be interested in seeing what happens. I am not going to push it. I just think that sometimes when we see those accidents, they are terrible things, but also the question has got to be, why do we fly low-level training over population centers.

General **Galvin**. Well, I will tell you, Senator, I am intrigued by the idea of Alaska and I will take that one back and see what can be done. We fly over those centers because that is what we would be doing if we had to fly over, say, East Germany or Poland. So there is some of that we ought to do, but we do not have to do it all there. You can extrapolate from different terrain.

TROOPS VERSUS DEPENDENTS IN EUROPE

Senator **Stevens**. I said I would be brief, and I have got one last question. You heard the chairman's comment about dependents. If it comes down—and I think this is a very serious question—to a budget we have to deal with, what is the highest priority, fewer troops in Europe or fewer dependents?

General **Galvin**. As a commander I would have to say that the highest priority is fewer dependents. If you have to get to the point where you make a choice between the presence of the U.S. forces over there and the dependents, I hope that choice does not come, but obviously I could not go any other way but say that the forces themselves must remain, sir.

Senator **Stevens**. We have committed to our allies to provide 10 divisions in 10 days in the event of war in Europe. We could not keep three there and take seven over just as quick as we could take six over and keep four there?

General **Galvin**. I think that if we do make a reduction like that we ought to make it within the arms control agreements and not outside that. And if we made the reduction we might not want to take out a division; we might want to take a certain number of battalions from each division or something else like that.

Senator **Stevens**. I am talking about total forces. I am inclined to lean toward the quality of life concept. We do not know whether there is going to be wartime coming. These young people are going to be over there 2 or 3 years; why not have their families?

But I would say that we ought to opt toward saying we will keep the equivalent of three divisions there. That would still be one and one-half times the amount that was there when Mike Mansfield spearheaded the battle to reduce forces in Europe. But in terms of cost factors we are going to have to face that question, and I think that we ought to get some options and get some time to talk to you and your people.

I would opt to bring home the equivalent of part of a division rather than bring home substantially all of the dependents. As I understand the equation, that is about what we are talking about. That is just my feeling. No answer is necessary.

I thank you, Mr. Chairman. I have got to go. Nice to see you.

General **Galvin**. Good to see you, sir.

Senator **Johnston**. Senator Harkin?

COST OF DEPENDENTS IN EUROPE

Senator **Harkin**. Thank you, Mr. Chairman.

I only have one question, General; Do we have a breakout on how much it costs for those 300,000 dependents in terms of transportation, housing, and all the other attendant facilities that go along with that? Do we have any breakout of what that costs?

General **Galvin**. I do not have a breakout in Europe for that. I can go back and ask the JCS if they do.

Senator **Johnston**. If the Senator would yield, General, if I may interrupt, we required that as part of last year's bill, and that is supposed to be set out by account. Now I do not know what DOD is doing. We ought to have that by now. But they are required to do that.

We have never been furnished it for years. We asked for it and never got it. But now it is set out in law, which I hope will be obeyed.

Senator **Harkin**. So will we know it for Europe, for example?

Senator JOHNSTON. Absolutely, if they comply with the law.

Senator HARKIN. Will we have access to that pretty soon?

Senator JOHNSTON. As soon as they furnish it, if they furnish it.

Senator HARKIN. Thank you very much, Mr. Chairman. That is the only question I had.

Thank you, General. I just wanted to know what the breakout was.

Senator JOHNSTON. Senator McClure.

Senator McCLURE. Thank you, Mr. Chairman.

General, this last response to Senator Stevens intrigued me a little because you indicate that we ought to be talking about troop reductions, if at all, on the basis of negotiations on other treaties that might also call for reductions on their side, as I took your answer.

General GALVIN. Yes, sir.

EXISTING TREATIES VIOLATIONS

Senator McCLURE. I do not disagree at all that we ought to be trying to negotiate something for something. But I could not help but be struck as you were laying out the scenario in Europe—and it is a very difficult one to do, particularly with all the political changes that may or may not be taking place throughout Europe and behind the Iron Curtain—by one point.

You talk about their posture and you talk about what they may be up to, but you never once mentioned their violations of existing treaties. Why this emphasis upon new treaties if we do not have any emphasis upon their performance under old ones?

General GALVIN. Well, I do not know if I am a good one to answer that. Maybe I would say because I am an optimist. I think that we do need to try to negotiate with the Soviet Union especially on conventional arms reductions because they are so much overwhelmingly powerful than we are, with 59,000 tanks when we have something like 22,000.

So I would like to see that come down.

Senator McCLURE. Sure. I would like to see it come down, too, but are new agreements better than old ones just for the sake of agreements? Is that what we are talking about? The old agreements are fairly important ones, too.

I think the strategic balance is a very important one. I think you recognize that. Short-range missiles are very important. You do not have any real defenses against the tactical ballistic missiles, do you?

General GALVIN. No.

Senator McCLURE. And yet we are going to negotiate with them some agreements on troop reductions, yet we do not seem to be terribly concerned about their violations of existing agreements.

General GALVIN. Well, I am concerned about violations of agreements, but I do feel that we ought to try to sit down at the table with them and get some reductions. If they are willing to actually make the reductions, we will be better off than we are now.

Senator McCLURE. I certainly agree with that, and I do not want us to stop negotiating with them just because sometimes they do not carry out the agreements they already have. But your statement, and then your response to the questions on future agreements without any reference to the failure to observe past agreements, I find a little curious. I just wonder if we are developing a mindset in which past violations become acceptable because we have become used to them.

General GALVIN. I hope we do not develop that mindset, and if I left something out it was because it was a short paper.

Senator McCLURE. I understand the difficulty of trying to get the whole waterfront covered in one paper, but I made note of that as I read your statement and when you made your response. It seemed even more striking to me that you have more faith in a future agreement than you have in the observance of past ones, and that bothers me.

General GALVIN. Well, it does seem, Senator, that there is reason to believe that the Soviets have more will to make agreements than they had, for example, in the mutual and balanced force reduction talks. There we went for 14 years with no progress.

Senator McCLURE. You mean they have more tendency to make agreements now than a short while ago?

General GALVIN. I think they are more highly motivated right now to make some agreements than they were before because they face a more difficult internal situation.

Senator McCLURE. Do they seem to be more motivated to observe old agreements now than they were before?

General GALVIN. I would not go that far.

Senator McCLURE. So they get the gains they get, and they get to keep the gains they get, while they negotiate for new agreements in order to make more gains, which they will then again be permitted to keep as we negotiate the next round after that. And then they can violate those agreements and make further gains and we will permit them to keep those, too, as we negotiate the next round.

Is that what I am hearing?

General GALVIN. I do not think you are hearing any of that from me, Senator.

Senator McCLURE. I hope not, but I think that is what I hear more and more, and while you did not state it that way—and I would not even assume you mean it that way—that is what I see happening. That really does disturb me because I do want new agreements. I also want them to observe old ones.

If we do not—well, I will not get into that whole question of negotiation of agreements and the verification and enforcement of them. Let me change the subject.

Modernization of the last short-range nuclear missile is perhaps the most controversial issue facing NATO, is it not?

General GALVIN. Yes, sir; it is.

ASSESSMENT OF SITUATION IN EUROPE

Senator McCLURE. What is your assessment of the situation at this time?

General GALVIN. I think that a lot is going to depend right now on how we go about the modernization rather than if we go about the modernization. I think that there is generalized support, as there always has been, for NATO and for NATO strategy, which includes a nuclear aspect, in the Federal Republic of Germany.

But there is also not, by any means, a unified agreement among all political leaders, needless to say, or among the public as to what is the best way to go about the support for the strategy. There are elections coming up in the Federal Republic in December 1990 and those, of course, affect the situation also.

Right now, as you know, we do not have a follow-on to Lance. We have an idea of what that might be, and sometime this year the Congress will be asked to support production of missiles that can be tested to see if the theories are right. I would think that the best route to take right now, and one that I think would have success, would be to recognize that we do not have a Lance ready to be deployed to Germany, a follow-on to the Lance, a Lance II ready to be deployed to Germany, so now is probably not the best time in the world to bring up the question of how much they will support a Lance being deployed to Germany.

What we ought to do now is find out whether we have support in general for testing a follow-on to Lance. In other words, take this whole thing logically, one step at a time. I think it probably will fit better the situation that I see as it actually exists politically in Europe today.

Senator McCLURE. What would be the consequences if we fail to modernize Lance?

General GALVIN. If we fail to modernize Lance we would be left with only nuclear artillery and air-delivered nuclear weapons, both bombs and missiles. If we had also, of course, the tactical air-to-surface missile, that is another question. We would not have a Lance capability because Lance will be obsolete by about the middle of the 1990's.

So that would mean a burden which I think is too much for air to have to carry in the question of delivery of nuclear weapons, if that were ever necessary. I have made an extensive study of that and I feel that we would be at a very great risk to the strategy if we did not have some kind of ground-to-ground missile which can be put out in the countryside, which can be hidden and nobody can target it, and which has great penetration and accuracy.

Senator McCLURE. The other side of that is the vulnerability of our own forces, particularly airfields in Europe, to attack. How important is it, in your judgment, to develop an antitactical ballistic missile system?

General GALVIN. I think it would be very important to develop such a system, and I support research toward that kind of system. Obviously when the time comes that is going to have to compete with everything else. I do not know how it would stand. That is, I guess, the best I can tell you on that.

EVACUATION OF EUROPE

Senator McCLURE. Well, many of the world's current strategies have been built upon deterrence so that you do not really have to face how you do that. They will not dare attack us because we can attack them. That put us in the posture of putting most of our chips on offensive weapons and comparatively fewer on the defensive side.

It was thought to be cheaper, more cost effective, and it seems to have worked, incidentally. But it also means that there is not any assurance when you are talking about airlifting 300,000 people out of Europe, just in dependents, or transporting an additional six divisions to Europe or supporting them there is no real way to assure that those airfields are open and operable.

It is easier to knock them out than it is to defend them, is it not?

General GALVIN. I think a lot of people would disagree with that. I would be one. It is easy to damage an airfield. It is easy to shut it down temporarily. But the airfields of today are very hard to suppress in the sense of knocking them out so that they do not come back up into action for several days or something. That is very hard.

Senator MCCLURE. Even with nuclear and chemical and biological agents?

General GALVIN. I think if you have a nuclear war that is a different question. If you have an all-out nuclear war, then you change all the equations.

Senator MCCLURE. You certainly change the equation. Here we are talking about tactical nuclear weapons and you are suggesting that there is no threshold between the two.

General GALVIN. I think there is a threshold. If I suggested there is not one, I did not mean to. There is a threshold.

Senator MCCLURE. If we are talking about all-out nuclear war, you are talking about all-out tactical nuclear war?

General GALVIN. Well, if you talked about destroying all the airfields, that probably would be all-out nuclear war. There are a lot of airfields, so I assumed that. But if that was not what you meant, let me go back and say there certainly is a threshold between tactical nuclear warfare and all-out general nuclear release.

Senator MCCLURE. So much of our plans depend on having usable airfields. So many of our plans depend upon thresholds of nuclear escalation, if you will, and yet it seems to me we have a tremendously difficult task if we have no tactical defensive weapons or insufficient tactical defense weapons against ballistic missiles.

The Soviets have them. We know that. They have a lot of them. I do not know how many of those airfields are going to be operable. Maybe you are right. Maybe we can guess that they will never use tactical nuclear weapons because they have so many conventional arms, but in order to nullify some of their conventional arms we are using tactical nuclear weapons and then assuming they will not use tactical nuclear weapons against us.

General GALVIN. If we use tactical nuclear weapons, I do not assume that the other side would not use tactical nuclear weapons. I think if you use tactical nuclear weapons you can assume there is a good chance that the other side will use them against you.

Senator MCCLURE. And if they use them against us there is a good chance a lot of those airfields are not operable?

General GALVIN. That is true. There is also a chance that you can deter war through the capability with nuclear weapons, and there is also a possibility that if you use nuclear weapons you could stop a war. Those run through the whole range, I think.

You mentioned attrition. There are all kinds of questions that could be brought up about this. You remember during World War II in 1942 the first 3 months of that year we lost 300 to 400 ships off the U.S. coast to only 13 submarines who managed to get through. They never had more than 13 U-boats out there. But we took tremendous attrition.

There are times when we have in the past taken great attrition, and that was because we did not have the proper defenses or we did not have them in the right places at the right time. I think we have to seriously consider that.

Senator McClure. Well, I think you have a tremendously difficult and complex question, particularly now, as Gorbachev and the peace offensive is convincing the world that he wants reduced tensions and that he is willing to negotiate. He is taking unilateral actions. I cannot help but note that you pointed out on page 3 of your statement the uncertainties with respect to the offer on his part to reduce tank forces.

We do not know which tanks would be taken out, do we?

General Galvin. No, we do not.

Senator McClure. Or which units. If they take out 5,000 tanks and they produce how many per year?

General Galvin. They produce about 3,000.

Senator McClure. All they are doing is taking out their most obsolescent.

General Galvin. Could be. That would have to be part of the negotiations.

Senator McClure. Well, he is going to do this unilaterally so he does not have to negotiate anything.

General Galvin. Well, if he does it unilaterally, of course, that is a different matter. You are right. He does not have to negotiate and he does not have to allow verification. He does not have to do anything.

TANK REDUCTIONS

Senator McClure. I believe I have been told that the plan is to move those 5,000 tanks out to local defense forces.

General Galvin. President Gorbachev says that they are going to become tractors on the farms, and I guess some of them are going to become refrigerators.

Senator McClure. If they become tractors, they have to be melted down, because you cannot farm very well even with one of their old tanks. But that may fall under the heading of Soviet agricultural policies and may be one of the reasons they have failed.

The only reason I mention that is that so many people believe he really did something great by offering to reduce forces by 5,000 tanks, and we do not even know whether it is real, let alone what impact it would have on force structures.

General Galvin. I think it is important to say that he has not really done anything yet. He has just talked about what he is going to do. There is so much euphoria about that and wishful thinking that people think perhaps those tanks are already gone. They are not gone.

Senator **McClure**. When you are talking of the relative forces and you go into some very brief figures, you are not including French forces, are you?

General **Galvin**. No; I did not include French forces. If you did, it makes a slight change, not really great change. We have 22 divisions defending in the Federal Republic of Germany right now from the Baltic to Austria. If the French were in, we might have 25, 26.

Senator **McClure**. And you get more fighter aircraft and more tank forces.

General **Galvin**. Yes, sir.

EAST-WEST MILITARY POSTURE

Senator **McClure**. What impact do you see from the agreement that was just concluded and signed in Vienna with respect to the East-West military posture?

General **Galvin**. I am not sure exactly what agreement you mean.

Senator **McClure**. The one in which the East and the West together, the 35 signatory nations——

General **Galvin**. The CSCE agreement?

Senator **McClure**. Yes.

General **Galvin**. I think that the agreement has some points that are very much worth support. One of those is the continued inspections and verifications. That is a very important part of CSCE. I think we need more of that in the future.

In addition to getting some kind of agreement, we must get the ability to inspect and verify on both sides. We should be ready to concede that ourselves, but definitely we need it in terms of seeing what the behavior of the other side is.

SPENDING GROWTH RESTRAINT

Senator **McClure**. Mr. Chairman, just by way of concluding this, this is not the time, nor is it my intention, to debate what may or may not happen on the budget. But I ought to at least note that I am not as gloomy about the budget as you were in your opening statement, although I think everyone who is looking at the budget better be on notice that, indeed, there are some very tough choices ahead for the Congress.

Just as a matter of footnote to that, if the House of Representatives would join the Senate in efforts to trim the growth of domestic spending, as they have been unwilling to do in the past, then I think interest rates could drop as programmed. I will not say they will drop, if Congress does not restrain the growth of spending.

That is the kind of question that I think we are certainly all going to be looking at and debating, and will certainly affect what you can expect in your budget.

Senator **Johnston**. Well, I say to my dear friend, with whom I share so much in common in terms of philosophy, that that question about the House joining with us in cutting domestic spending is good for sort of public consumption. But in terms of realism in having there be domestic programs that can be cut or of those that can be cut, or that the administration would want to cut, you start with social security.

Do you think anybody wants to cut that? Not I.

Senator McClure. Nobody has put that on the table recently, nor am I——

RETIREMENT COLA

Senator Johnston. By the way, what do you think of the plan to cut military retirement COLA's?

General Galvin. I do not think very much of that at all, Mr. Chairman. [Laughter.]

GORBACHEV PROPOSAL

Senator Johnston. I do not think we do either.

General Galvin, Gorbachev proposed, if I recall correctly, 500,000 troops and 50,000 tanks worldwide within a period of 2 years; is that correct?

General Galvin. 10,000 tanks and 500,000 troops; 50,000 was the figure of the troops that he would pull out of the forward areas.

Senator Johnston. All right. If you were going to do that, if he really delivered on it, is the 2 years a realistic timeframe, or should he have done it more quickly?

General Galvin. Two years is a realistic minimum time frame. I have tried to work out what he has to do, and if he is going to do it in an orderly manner and try to preserve as much as he can of his combat capability, 2 years is pretty fast.

Senator Johnston. Has he done anything that would lead you to believe that—he certainly has not proved that he is going to be true to what he has said yet, but has he done anything to disprove it and put you on notice that this is all somewhat of a con game?

General Galvin. I do not think it is a con game, but there is a lot of propaganda and psychological conflict going on here in all of this. For example, there is a lot of pressure for us. The Soviets say that the follow-on to Lance would be circumventing the INF Treaty, which is not so. They say that the West should not modernize because they are not modernizing, which is not so.

The Soviets have brought in the SS–21 and the SS–N–21, which is a subsonic sea-launched missile which is in that range, the shorter ranges. It has brought in the AS–15, which is an air-launched supersonic missile. So there are a number of modernization efforts going on still in the area of the shorter range nuclear weapons.

Also, although there is discussion about the intention to cut production and even to cut the military budget, I have not seen any production cuts.

So I would say that there is a lot of words, a lot of rhetoric that you could question. But in terms of overall Soviet intentions I think right now the Soviets do want to make reductions. They want to obviously capitalize the best they can. They are trying to turn a disaster into a success for themselves. That is, their internal problems are bad and they need to reduce this 17 percent that they spend of their GNP, and they have for so many years, on defense.

This enormous production, the 59,000 tanks, is the best example. You might need more tanks than your adversary, but if your adversary has 22,000, you do not need 59,000. So he wants to stop that, I think—that is, President Gorbachev does—and I think he is aimed in that direction.

But he wants to get the most out of it possible. He does not think that will necessarily happen at the table for negotiations. He thinks it will probably happen in the greater environment of overall, as I said, psychological rather than logical approaches in Western Europe and in the United States.

Senator JOHNSTON. With the 2-year time span, when will we begin to know whether he is beginning the process on time, whether it is proceeding apace?

General GALVIN. I think that we will not have to worry about that because there will be media events on the other side showing tanks coming out or things changing.

Senator JOHNSTON. When would those media events begin to occur?

General GALVIN. I would think they would occur in 1989. They will be during this year. We will begin to see changes; that is, tanks being put on flatcars and heading eastward and so forth. As I say, that will have a very large aspect of the psychological to it also.

Senator JOHNSTON. Surely; I am quite sure of that. Let me say that my own view is that Gorbachev is probably sincere but, first, he may change his mind or, second, he may be required to change his mind, or, third, he may not be in power or the generals may not go along or whatever. So we cannot anticipate that much. To whatever extent he is sincere, he certainly wants to make the best of it in terms of Gorbaphobia—I mean——

Senator MCCLURE. Gorbaphoria?

Senator JOHNSTON [continuing]. Make everybody feel good over here. [Laughter.]

LANCE

General, to ask you about the role of Lance, my only concern about Lance is what it might do to the German Government, whether we might lose a German Government over it. Is the advantage of Lance enough to risk that, and how much of a risk is it that this government would fall?

General GALVIN. I think that we need to be very careful in the way that we go about this precisely for the reasons that you have noted. I think that the Lance is vitally important to a strategy of forward defense, which after all is a strategy primarily engineered in order to take into account the situation, the geopolitical situation, of the Federal Republic of Germany.

I think there is a pretty strong recognition of that, but right now, as always, publics and individuals carry more than one thought, even though they might be contrary thoughts, at the same time. There is a strong recognition of that. But there is also a feeling that maybe things are changing, that maybe we just do not really need as much defense as we had and so forth.

So I think that we need to be careful to do several things as we talk about the Lance. One, make sure the situation is clear as to what does the United States and what do the other countries think of their adversary. Where is their adversary today as different from, say, any other time. What is the requirement for the strategy, and there is a requirement for nuclear weapons in the strategy of forward defense.

We do not need to have a strategy of forward defense if somebody is willing to buy a kind of defense in which you have maneuver that governs or that is more important.

STRATEGY FOR NUCLEAR WEAPONS

Senator **Johnston**. Would you define that strategy with respect to use of nuclear weapons, the current strategy?

General **Galvin**. The current strategy is called MC 14/3, which is forward defense and flexible response. It means that we would have three phases to the strategy—direct defense, deliberate escalation, and general nuclear response—direct defense meaning that if we were attacked we would respond with the same amount of power as the power attacking us.

Deliberate escalation, which is the second part, means if we thought we were beginning to lose the coherence of our defense we would escalate to nuclear weapons.

Senator **Johnston**. That is phase two?

General **Galvin**. That is phase two. Then general nuclear response, which is phase three, means that we do not completely reject the occasion of using a general strategic nuclear response if we felt it was necessary.

That defense is the one that replaced massive retaliation. It was felt that massive retaliation was not credible because it involved a response only by the United States and the United Kingdom to protect continental Europe. It was felt that if you could have a better response of continental Europe itself, as well as the United States, it would be better.

So, therefore, right now we have eight countries that have nuclear artillery. We have eight countries that can fly aircraft delivering nuclear bombs or missiles, and we have six countries that have the Lance. We feel that that presents a cohesive solidarity in the West with respect to this strategy.

The best alternative strategy would be to give ground in order to gain time, in other words, conduct a mobile defense. That strategy, though, might give up a lot of the Federal Republic. One-quarter of the Federal Republic's industry is in the first 100 kilometers that you would have to give up, and so it would be, in effect, the destruction of the Federal Republic to do that.

That is why we have not gone to any kind of strategy which contemplates giving ground. Instead of that, we felt we should stand fast, face an attack, and escalate if necessary to stop it.

NOTICE OF AN ATTACK

Senator **Johnston**. How much notice, given the huge deployments they have, forward deployments, of an attack would you have, or when would you notice some kind of mobilization?

General **Galvin**. The Soviets have three or four ways they could go, and the Warsaw Pact. If they did a surprise attack from where they stand right now, we would have very little notice. But they would not have the strength, the combat power, what they call the correlation of forces, that I think would make them willing to do this in most situations, although I remember Pearl Harbor. So I keep my powder dry on that.

They could do a short-warning attack, which would mean to jump off with about three fronts—a front would be like an army of ours; that is, three groups of corps. They could jump off with an attack like that, but we would get a warning on that. We would get a warning of at least [deleted] maybe more.

And if they wanted a fully reinforced attack we would probably get at least [deleted] warning.

Now those are probably conservative estimates. We get better and better at intelligence-gathering, and we get better at seeing possible changes in Warsaw Pact configurations.

Senator **Johnston**. So with a [deleted] warning they could have a well-coordinated offensive?

General **Galvin**. Yes, they could. They could have a well-coordinated offensive. They probably would not have everybody involved in it. But yes, with a [deleted] warning—we would get a [deleted] good warning. In other words, there might be some things that would occur [deleted] out, but by [deleted] out I think we would have enough that we would be convinced an attack was going to take place.

BOLT OUT OF THE BLUE

Senator **Johnston**. How much confidence do you have in your ability to contain this offensive either on phase one or phase two; that is, a sudden attack or a [deleted] coordinated attack with conventional forces?

General **Galvin**. It is a high risk situation and the reason for that is this. There are 50 divisions located along the front that we face with about 22 divisions. And then there are more in echelons behind, building up to almost 200 divisions all together. So it is, first of all, important to us to be able to stop the initial attacks, and we could probably do that; that is, stop the first echelon.

But then the question is, can they arrive on the battlefield with additional echelons faster than we can. That is why a follow-on forces attack is important, because that slows down the arrival of those other echelons and gives us time to bring forces in.

But, as I said, my primary concern is that we do not get our reinforcements from the United States over to Europe fast enough. Meantime, of course, the Europeans will be reinforcing and we will have some divisions to fight with there that add up on top of the 22. [Deleted.] We have additional units that would be mobilizing in the other NATO countries.

But I would say if they jumped off especially from a short-warning attack or a longer preparation it is risky. Just as all of my predecessors have said, I would say the same thing as a commander there.

Senator **Johnston**. You might succeed, but you would not have a high degree of confidence?

General **Galvin**. That is correct.

Senator **Johnston**. If there was a breakthrough, would you have much time? I mean, I have just been rereading about World War II and about how fast the Nazis were able to move in Europe. Today I would suppose you could move much faster than that if you make a salient into Europe; am I correct?

General **Galvin**. Yes; I think you definitely can move faster. You can move more power in the area than we ever had before and so forth. I think to answer your question, we would see it coming. [Deleted.]

Senator **Johnston**. [Deleted.]

General **Galvin**. [Deleted.]

Senator **Johnston**. Now with nuclear weapons, would you have a high degree of confidence that you could contain the attack?

General **Galvin**. [Deleted.]

Senator **Johnston**. What degree of likelihood is there of an invasion in Europe? Putting it another way, if you had to look at the danger points around the world, you are primarily, of course, responsible for Europe. Would you put an invasion of Europe as the No. 1 danger, or would you put it somewhere else and, if so, where?

General **Galvin**. I would think that you have two considerations here. Where are you most likely to have violence and, second, where can the violence hurt you most? So you have to balance both. I think that there are places in the world—I really do not like to try to name too many of them, but they come around the Middle East—where the possibility of violence is relatively high compared to other places.

I would say to you that we are right in saying that our main alliance in this world is with Western Europe, and that that connection is the one that is most vital to us and, therefore, needs the first priority in terms of a defensive arrangement.

WAR-FIGHTING STRATEGY

Senator **Johnston**. General, you mentioned earlier that you might have this scenario where the war would go along for 2 or 3 days and then one side or the other, we would tell them it is time to cool it, stop this war. It seems to me that neither side could regard that as a serious scenario, given the way that war escalates, and I do not think that has ever happened in history, has it?

General **Galvin**. Well, we have not had nuclear weapons in history. I think that really is an important factor here. First of all, on the deterrent aspect of it, nuclear weapons deter, I think, for two reasons. One is that political leadership makes decisions about whether or not to go to war. They do it on the basis of really two simple things.

Senator **Johnston**. I quite agree with you on that. I am very strong for having nuclear weapons in Europe. All I am saying is that if the Soviets are counting on being able to have a look-see at war and see how they can deal with tactical nuclear weapons without running the probability of a generalized nuclear war, I do not think they can count on that. Would you agree with that?

General GALVIN. I would agree with that. I think that is what has deterred war.

Senator JOHNSTON. Well, I quite agree with that.

General, 90 percent of our supply for Europe in wartime would have to be transported by sealift, which is, I think, one reason why you have stated that sealift, fast sealift, is such a high priority. Yet the defense budget requests almost $3 billion for new airlift—that is, the C-17—and only $250 million for procurement of only one cargo ship.

Is that not wrong prioritizing on DOD?

General GALVIN. I strongly support the C-17; I really feel we need the C-17. I do not want to say anything that would indicate anything else from that. In the first 10 days of the war, a very high percentage of what I would get over in Europe would come by air, and as it is now and has been mentioned by Senator McClure, the bigger airfields are easily recognized in Europe. So I would like to be able to distribute to smaller airfields, and that means the C-17 with its long legs to get across there but then being able to land in lots of different places.

So I do not want to rock the boat of the C-17 program. I really believe in it, and we have to have it. I am saying, though, that we need also the sealift and we need to do more about sealift. We keep having sealift studies, but they do not result in a heck of a lot more sealift or sealift arrangements. I am not sure that we have to build ships. In fact, I do not know exactly what we have to do to get more sealift or get more availability of sealift.

But I think we need strong support from the Congress to look into that and find the best ways, the most economical ways, to better our position as far as sealift is concerned.

Senator JOHNSTON. Well, if you have a suggestion on how we might undertake an initiative, we would certainly entertain that, if you want to submit that to us in writing.

General GALVIN. Yes, sir.

TROOP REDUCTIONS

Senator JOHNSTON. General, General Meyer, former Chief of Staff, has stated that in his view it is inevitable that thousands of troops will be recalled from Europe as Gorbachev's initiatives begin not only to be made real but resonate in the politics domestically both in the United States and in Russia.

He is talking, I think, in the timeframe of the next 4 years. Now, as I stated before, I think we cannot anticipate by too much Gorbachev's moves which are very reassuring and make you feel very good, but until they actually happen, we cannot anticipate it.

But we should know fairly soon in terms of he says he will complete this in 2 years. Let us suppose he does complete the pullback in 2 years, that he does curtail his tank manufacturing, and that they really reduce that 17 percent of GNP that they are spending. Are we undertaking some alternative studies to determine how we might respond to that? Do you have any advice on how we might respond?

General GALVIN. Well, yes. First, he is much bigger and he has said himself, Gorbachev, that the biggest side should come down.

He did not say the little side should also come down. I do think that there is a psychological aspect to negotiations where you have to have some kind of response or where it is helpful to have some kind of response.

But I would say that first he is making a reduction of 10 percent, which is not a big reduction. It will have a lot of ballyhoo with it, but it is not a big reduction.

Second, we already have responded. The Soviets have always said they feared our nuclear weapons and they would like to see nuclear free zones and they would like to see nuclear weapons out of Europe. We have made two reductions already in the past 10 years. One, we took 1,000 nuclear weapons out of Europe; another one we took 1,400 nuclear weapons out of Europe.

I made a study now that I have submitted to the Secretary General and the nations. That study says [deleted]. So we have already reduced something in the neighborhood of 40 percent, 35 or 40 percent, of our nuclear stocks in Europe. He is reducing what we fear, which is his tanks, and he is reducing about 10 percent of his ground-gaining capability in Europe.

So really we are still ahead of the game. When we get to the negotiating tables we have already put out our recommendation, 40,000—in other words, 20,000 tanks on either side. He would have to make great reductions there. I think if he is willing to make the really kind of serious deep reductions in the ground-gaining, offensive capabilities that control terrain, then we ought to be willing to do something.

But, recognizing also that he has 59,000 tanks, we have 22,500 tanks, et cetera, et cetera, we should be careful about what it is that we reduce in order to show our good will. After all, he has been the aggressor side. Even Akhromeyev, when he spoke there in New York at the Council on Foreign Relations, said the Soviets have been offensively oriented but we have changed that. Gorbachev's December 7 speech says in essence basically the same thing.

So we ought to look at that in those terms, I believe, and still stay flexible. We should go to the table willing to negotiate. Negotiate means you may give up something if the other side sweetens the pot enough.

DEFENSE POSTURE

Senator JOHNSTON. Well, I just hope that there is serious planning going on. I know it would put you on the spot as a NATO commander to even be describing what you might do in advance, so I will not pursue that line of questioning. But I simply hope that in DOD in general and NATO in specific that we are analyzing our defense posture and how we will respond to Gorbachev.

It seems to me that we ought to analyze it anyway, even if Gorbachev stopped what he is doing right now. It seems to me that we have these great needs—sealift is one, airlift is another. We have this huge amount of tanks in the United States that would never get to Europe in time for the war unless the war lasts a whole lot longer than I think it ever would.

So we ought to figure out a way to get them over there faster. I mean, if that is the essence of our strategy, then we ought to have a real strategy. Just like getting the dependents out. I know that in theory they all come to Rhein Main and the planes that come in take them back out, but I am satisfied it would never happen and I hope our staff will do an analysis of that so that we can have a realistic defense posture.

Now, back to burdensharing, the Japanese Government—and they certainly are no model for burdensharing—at least they fund most military construction and claims for U.S. forces in Japan and will soon pay half the cost of pay of foreign nationals employed by the Department of Defense.

Why can't NATO do the same?

General GALVIN. We have, for example, in the Federal Republic of Germany, twice in the last 15 years asked for a complete renovation of all the installations which we occupy over there. One of those was called MOUSF—M-o-u-s-f—interesting name. There were others. The other one was called Stem to Stern.

And both times the German Government responded affirmatively and did completely renovate all of those installations and that real estate that we occupy. So some of this has been done in the past. I would assume that we can continue to request such action in the future.

General, I have got to go to the Budget Committee, where we are going to discuss the phantom dollars in this budget. I hope Mr. Darman will tell us that they are not phantom dollars, that there are real cuts there that we can then buy you some of the things you need in Europe.

Thank you very much for your testimony. Senator McClure will have some more questions as long as——

Senator McCLURE. I only have two.

Senator JOHNSTON. Well, as long as you two would like to talk to one another, for my part thank you very much.

General GALVIN. Thank you, Mr. Chairman.

ASAT PROJECT

Senator McCLURE [presiding]. Thank you, Mr. Chairman.

I think you are exactly correct in identifying sealift as one of the priorities. One of the concerns that I have is how we defend that sealift capability. Certainly one of the areas of great concern is our response to the ability of Soviet satellites to locate all those vessels.

I notice that there is a budget request this year for a new ASAT project. I assume that is, in part, aimed at precisely that mission; am I correct?

General GALVIN. I assume that that is true also. I really have not looked specifically at that, but I think you are right.

Senator McCLURE. The Army has been named the lead service for the new kinetic energy ASAT. Do you have any information on how aggressively the Army will push that?

General GALVIN. I do not, Senator.

Senator McCLURE. Then just one final comment, because I think you are exactly right that the Soviet Union will have some high visibility PR, in a well-coordinated campaign, to convince the West that they are really pulling tanks back. If indeed they do, we will see those tanks on flatcars or loading on flatcars or driving east.

I know that you will also know a great deal about what is going west at the same time, because they could very well take old tanks out and make a big show out of it, then just replace them with more modern, newer equipment. You as CINC will know about it, but it will not get the same degree of publicity for the rest of the world.

General **GALVIN**. As long as the infrastructure remains, taking the tanks out is only really one move. The amount of artillery, literally mountains of artillery rounds, that are very far forward in locations and the command and control infrastructures and other things still remain.

Senator **MCCLURE**. Well, thank you very much, General Galvin. We appreciate your testimony this morning and the information that you have provided. We will submit a number of questions for response in writing to the record.

As you know, the current budget environment requires reductions to the defense budget. Difficult choices will have to be made. The President and the Congress will have to cooperate and we all need the assistance of our military leaders. Your insight into national security issues facing NATO and the U.S. forces based in NATO will be helpful throughout our deliberations this year.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to the Department for response for the record:]

QUESTIONS SUBMITTED BY SENATOR INOUYE

INF PERSONNEL

Question. General Galvin, in FY 1984 the Congress increased the European troop ceiling by 11,000 end strength to allow for introduction of Ground Launched Cruise Missiles (CLCM) and Pershing II Intermediate Range Nuclear Weapons in NATO. Now that the INF Treaty has been concluded, these personnel are not required for this mission. It is our understanding that you believe that these personnel should be used for other missions, such as artillery and Multiple Launch Rocket System (MLRS) batteries and that we should retain 322,000 troops in NATO.

General, given the very real pressures on the defense budget and the number of programs that the Department wants to fund for modernization, why shouldn't we reduce end strength to achieve savings?

Answer. [Deleted.] We must negotiate from a position of strength. In order to do this, our ETS ceiling must remain at 326,414 for modernization and force structure enhancements.

Reduction of the European Troop Strength (ETS) ceiling of 326,414, by the number of INE associated spaces will negatively impact the following critical issues:

Current conventional imbalances persist, the most notable being conventional artillery where the Warsaw Pact enjoys a 6 to 1 advantage. (One current initiative is to activate new MLRS battalions as a part of the adjustment.) [Deleted] at the Corps level and others. This should not continue.

Question. General, overall end strength is declining. The Department has reduced active duty end strength by 41,000 since 1987. Force structure cuts—16 Frigates, a brigade of the 9th Infantry Division, and the 474th Tactical Fighter Wing at Nellis AFB—have occurred from the overall U.S. force structure, yet the Department has proposed no force structure reductions in Europe and proposes to keep troop levels the same.

Why should U.S. forces, which have a worldwide availability, be cut while forces in Europe are exempted from reductions?

Answer. America's national security strategy includes the defense of Western Europe as second only to the defense of North America itself. I am not advocating that U.S. forces which have a worldwide availability be cut to exempt those in Europe. I am saying that cutting forces in Europe now in response to Gorbachev's reductions (which are still pending) is poor long term strategy. We need to hold out for a meaningful reduction of Warsaw Pact forces down to a level of parity with NATO at lower than our current levels. This is a matter of timing and preserving a negotiating position in the CFE talks as well as dealing responsibly with capabilities as they are and not intentions about how those capabilities may or may not be used.

NATO/WARSAW PACT BALANCE

General Galvin, you have publicly called for NATO to strive to achieve "parity" with the Warsaw Pact.

Question. What does "parity" mean to you?

Answer. "Parity" means equivalency of overall military capabilities and depends as much on how forces are configured, stationed, generated, and supported as it does on numbers. In the context of CFE, "parity" refers to residual military capability.

Question. Are the other NATO countries prepared to increase spending in order to achieve "parity?"

Answer. The resources committed to NATO's Force Goals and Conventional Defense Improvement are evidence of allied support for adequate defense. If parity can be negotiated at lower levels of equipment, defense spending could conceivably be reduced or adjusted. There is no reason to expect our allies will not support parity.

Question. Is parity a realistic goal for the West given current budget constraints?

Answer. Parity at lower levels of equipment is a realistic and achievable goal. In any event adequate defense is the imperative.

MODERNIZATION AND THE NATO-WARSAW PACT BALANCE

Question. Since 1980, the U.S. Defense Budget increased by $709 billion or $79 billion per year in constant dollars. Our forces in NATO were modernized and improved. In 1980, we had predominantly M-60 tanks, few precision guided munitions, M-113 armored personnel carriers, and F-4 fighters. Now, our units in Europe have M1A1 tanks, improved munitions, Bradley Fighting Vehicles, and F-16 fighters. How much difference has this modernization investment made in the balance with the Warsaw Pact? Have we spent the increase wisely in your opinion? If you could rearrange our investment in Europe since 1980, which program would you have increased? Which programs were our wisest investments?

Answer. The modernization was crucial to maintaining a credible deterrence. Had our forces not modernized, we would have been facing not only a numerically superior force which we still face today, but also a technologically superior force as well. As I look across that era, I find the majority of the budgetary decisions our leaders made proved to be the right ones. Those which were not, were acknowledged and appropriate corrections made (such as correcting the "hollow force" problem of the 1970s). I would prefer not to offer any "Monday morning quarterback suggestions" which always sound so appealing, but which do not have to stand the test of time: But, I believe we will look back on this time and say our Alliance's decision to modernize the Intermediate Nuclear Force (INF) was the most significant modernization investment made in my theater. For it was this collective decision which finally convinced the Soviets of the need for the INF Treaty.

EUROPE VERSUS OTHER WORLDWIDE COMMITMENTS

Question. General Galvin, much of your career has been spent with the Army in Europe. However, you also fought in Southeast Asia and served as Commander-in-Chief, Southern Command, in Panama. How would you rank conventional defense of Europe vis-a-vis other U.S. commitments? Is U.S. defense policy too "Eurocentric?"

Answer. The security of Western Europe and the United States are interdependent. Europe—economically, culturally, historically, and politically—is critical to American security. The defense of Western Europe is second only to the defense of the North American continent in our national security objectives. Europe faces the greatest concentration of potentially hostile forces in the world. I would rank the conventional defense of Western Europe of the highest priority vis-a-vis other U.S. global commitments. U.S. defense policy is not too "Eurocentric."

EUROPEAN DEFENSE AND BUDGET REDUCTIONS

Question. We've often heard the military say that if Congress is going to cut the budget, then we have to tell the services what missions they are not responsible for. My staff tells me that you are a statesman-soldier with training in international affairs, history, and political science. You are also an author of books on the American Revolution. I'm interested in your views on this "missions" issue.

You have said that we must maintain our conventional defense of Europe during this period of declining budgets. What missions would you suggest we curtail in lieu of Europe?

Answer. We must maintain our conventional defense of Europe. Defense of Europe is our top strategic priority second only to the defense of North America. It is not appropriate for me to suggest changing missions in areas outside my responsibility.

Question. If you cannot suggest a curtailment of missions, can you suggest how we can meet the President's budgetary reductions?

Answer. Each of the Services will recommend special reductions. As in the past, I will be afforded ample opportunity to influence where the final defense reductions are taken.

REDUCTION OF U.S. FORCES IN EUROPE

Question. Your message on the Gorbachev proposal is "This is no time to reduce U.S. forces or defense spending in Europe." It appears from the press, however, that public opinion in Western Europe is building toward a consensus that defense spending can be reduced. General, if the U.S. holds defense spending and forces constant in NATO, isn't it likely the disparity between U.S. and allied spending will grow and the outcome of the Gorbachev initiatives will be the American taxpayer funding an even higher share of Western Europe's defense costs?

Answer. Your question assumes our NATO partners will decide to reduce force structures or decrease spending unilaterally. I believe a firm commitment exists in NATO, as evidenced in the December 1988 NATO Defense Planning Committee Report on Burdensharing, to continue to support alliance goals. The conclusion of this report recommends that NATO as a whole must continue, through public relations and the media, to demonstrate that the Soviet/Warsaw Pact Threat is still very real and there must be no unilateral reductions in defense efforts among the NATO members. I believe it is possible to achieve security and stability at lower force levels more rapidly if we remain steadfast in the near term. I believe we can achieve parity, at levels below current NATO levels only if we remain unified within NATO. If some of the smaller allies give in to budget pressures and reduce their forces unilaterally, it will affect our position at the CFE talks, but if the U.S. does so, the effects could be very serious.

USE OF NATO BASED FORCES OUTSIDE OF NATO

Question. General Galvin, one of our major concerns is that U.S. forces in NATO are not mobile—unlike our forces based in the U.S. or forces afloat—the U.S. cannot unilaterally use its forces assigned to NATO to support other national objectives. We all remember that our F-111 pilots had to fly around our NATO "allies" airspace to carry out a counter-terrorism raid against Libya. Some would argue that the United Kingdom would not permit us to launch the F-11 aircraft today if the Libyan raid were proposed again. General Galvin, what steps have been taken to secure greater flexibility for our forces? Do you think it is prudent to keep such a large portion of U.S. forces stationed in countries that do not appear to be willing to use military forces to combat terrorism or other hostile acts outside of the NATO area?

Answer. Forces stationed by Alliance nations in NATO countries are so stationed by member nations in fulfilling specific NATO force commitments assigned and accepted by each NATO nation. Those forces' missions and responsibilities are the defense of NATO. Use of NATO committed forces, outside NATO, potentially adversely affects the planned and necessary defense of NATO.

Question. How practical would it be for NATO to publicly acknowledge that U.S. forces based in NATO can be used for non-NATO contingencies, without restriction?

Answer. Such a policy would provide an imprudent precedent allowing nations to employ NATO committed forces, necessary for the defense of NATO, to be unilaterally pulled from NATO and employed elsewhere.

Question. What are the actual restrictions on the use of U.S. NATO-based forces outside of NATO for non-NATO contingencies?

Answer. U.S. forces are stationed in NATO countries in accordance with agreements between sovereign nations. Because each nation is different, the agreements are different, and our latitude for operations outside of NATO differs. However, most of our agreements state that our forces are there in support of NATO, so use of those forces for some other purpose must be carefully considered in each case.

More important though, is that we have already committed our nation to supply those forces to NATO. Those forces must remain committed to NATO. Imagine my dilemma as SACEUR, mobilizing for war, only to find that substantial NATO committed forces are not available because they have been employed elsewhere.

Question. Are we permitted to use the equipment we have prepositioned in NATO for non-NATO contingencies?

Answer. No, again it is committed to NATO. We will continue to explore, case by case, use of NATO forces, outside NATO, with the concurrence of the Alliance, as the need arises. As you know, many Alliance nations are doing more to employ non-NATO committed forces and resources outside NATO, e.g., the Persian Gulf.

SEALIFT AND POMCUS

Question. General, to what extent can we depend on allied shipping in wartime?

Answer. Under current plans, the NATO shipping pool is to provide just over half of the sealift for our reinforcement requirements.

Question. Would our current investment be best placed in prepositioned or POMCUS stocks?

Answer. If you are asking should we invest in more strategic lift or more prepositioning, the answer is both. From strictly a European theater perspective, filling POMCUS would be more cost effective because the price tag to fill POMCUS is less than the cost of the strategic lift needed today to move the amount of equipment yet to be prepositioned in Europe.

Question. How much would it cost to complete provisioning of our six POMCUS division sets?

Answer. The Army estimates about $15 billion to fill POMCUS.

Question. How many ship or aircraft equivalents do these six POMCUS sets equal?

Answer. The current POMCUS shortfall of about [deleted] short tons equals about [deleted] SL-7 fast sealift ship equivalents, or about [deleted] C-17 equivalents.

RELOCATION OF THE 401ST TACTICAL FIGHTER WING

Question. General Galvin, to keep the U.S. Air Force 401st Tactical Fighter Wing and its 4000 personnel in Europe, the Congress is being asked to eliminate a Tactical Fighter Wing equivalent and approximately 4000 personnel from Air Force units based in the U.S. In addition, the U.S. taxpayers will pay approximately $500 million (including family housing) toward a new base in Crotone, Italy, at the same time we are trying to save funds by closing Air Force bases in the U.S. Why is it in the U.S.' interest to keep the 401st in Europe? Why should members of this Subcommittee approve a plan that will likely reduce aircraft and personnel in their states to make offsets for the continuation of the 401st in Europe?

Answer. The 401st TFW is the only U.S. combat air wing stationed in Europe's Southern Region. It is one of the four combat units the U.S. has in Southern Europe (the others are the airborne battalion combat team in Vicenza, Italy, the Sixth Fleet, and the GLCM Wing at Comiso, Italy, which will be removed by 1991). The dual capable aircraft in its three squadrons deploy forward in war or times of crisis to Northern Italy and Southern Turkey, and are committed to the ACE Mobile Force.

To deploy from Spain or Southern Italy (Crotone) requires several days and more than 100 sorties of tactical airlift to move all the maintenance personnel, spare parts, supplies, etc. If the unit had to deploy all the way from the United States, as do all the rest of the Air Force, Army, and Marine Corps forces that would fight in Southern Europe, it would take several weeks at a minimum—possibly months—to get that wing to its fighting locations. That would further reduce our reinforcement capability, and hence deterrence, by increasing the requirements on our already inadequate strategic lift capacity.

Besides the obvious reasons of deterrence and warfighting, the U.S. maintains its influential position in NATO because of the size of its military commitment. Reducing the scope of U.S. presence in Europe would lead to a corresponding decrease in influence and flexibility. Adding a new air base to the Southern Region defense posture of NATO is essential to a balanced defense in the region.

Question. The relocation of the 401st is being touted by the Department as a success in burdensharing. The U.S. taxpayers are being told they must spend $500 million to keep the unit in Europe. This adds costs to the budget and does not decrease our costs to keep forces stationed in NATO. Why is the 401st relocation a burdensharing success?

Answer. The 401st relocation is a burdensharing success for three reasons:

- Recognition by the Alliance of the need for a combat-ready fighter/bomber wing in Southern Europe, and the value of a strong, visible U.S. commitment there.
- The unique NATO decision to fund construction for a peacetime facility out of the infrastructure program, which was established only for minimum essential wartime facilities.
- The further decision to expand the infrastructure program to fund the 401st, rather than take funds from other important projects.

Question. We understand that the U.S. intends to provide Spanish foreign national employees at Torrejon severance pay. Why will these payments be made? How much will such payments cost?

Answer. Washington authorities agreed to assume the obligation to pay severance costs to Spanish workers during the negotiations for the new base agreement. The current estimate is $17M.

U.S. DEPENDENTS IN NATO

General Galvin, we have approximately 300,000 DoD dependents in NATO. That's almost one U.S. dependent for each U.S. soldier and airman. No doubt, the level of dependents in Europe is good for morale, but I question warfighting considerations.

Question. Don't our dependents count on West German rail and bus transportation being made available to get our people to Rhein-Main and other airfields so they can be evacuated? Doesn't this assume the German population won't use the same transportation assets?

Answer. U.S. Army Europe (USAREUR) as the executive agent for Noncombatant Evacuation Operations (NEO) in West Germany, is planning to make use of host nation rail and bus resources as well as U.S. military bus assets. This does not assume the German population won't use the same transportation assets. There will always be competing demands on surface transportation which we take into account during NEO planning. However, coordination with the German authorities through exercises such as the recent NEO Tactical Command and Readiness Program seminar game, has enabled our planners to quantify requirements and identify areas where additional resources are most needed. This problem is manageable.

Question. In a realistic crisis situation, won't our commanders be reluctant to order an evacuation because this will be a sign to the Soviets that war will occur; something akin to the decision by countries to mobilize before World War I?

Answer. The decision to order a Noncombatant Evacuation Operation (NEO) would not be made in a vacuum, but would be one of several related decisions made during a crisis. NEO would most likely be conducted in coordination with the reinforcement of Europe in order to use the reinforcement airlift to return noncombatants to CONUS. In that light, the decision to evacuate noncombatants should be regarded as a sign of resolve and extended deterrence, rather than one that war is inevitable.

Question. The Soviet forces in East Germany don't have many dependents with them. Doesn't this give Soviet forces a warfighting advantage?

Answer. Actually, the enhanced morale enjoyed by U.S. troops resulting from our family-oriented personnel policies could very well offset the perceived advantage associated with unaccompanied Soviet forces in the East in view of the personal hardships they must endure in the name of military expediency. I would caution anyone about drawing conclusions from comparison of such non-quantifiable factors.

CURTAILING REFORGER 1989

Question. My staff informs me that curtailing REFORGER saves approximately $37 million in 1989 operation and maintenance funds. How much will curtailing REFORGER save in maneuver damage claims? Do you have any estimates on what we are saving due to curtailment of low level flying in West Germany by our Air Force units?

Answer. Maneuver damage claims are dependent on many variables such as weather, location, total numbers of troops/equipment, experience level of troops, frequencies of moves, the exchange rate, etc. all of which contribute to the final cost of manuever damage. When the ground is frozen, damage would definitely tend to be less than if the area was soft from rain. The NATO field exercise which is held in conjunction with REFORGER will have approximately 50,000 fewer soldiers than in 1988. This will be one factor which will tend to reduce the maneuver damage claims. But it is impossible to predict what impact the other factors such as weather will have on the final total damage claims. Even after the exercise is completed, it will be months before the final total is known, but there will obviously be a saving.

Concerning low-level flying training in the Federal Republic of Germany (FRG), there are currently no low level curtailments. The low-level negotiations with FRG officials are not yet complete. Pending the outcome of those negotiations, we may need to export some low-level training from the FRG. Low-level flight training is vital to the readiness of our aircrews and any reduction in the FRG would require equivalent training to be accomplished at other locations. The cost of the low-level flying training would then be determined based on the amount exported to the new location and this would certainly not be a reduction in cost.

TRAINING RESTRICTIONS AND SAVINGS

Question. You are reported to favor smaller scale exercises rather than the large scale REFORGER or "Team spirit" multiservice/multination training exercises that are predominantly used by DoD for overseas training. Could you elaborate? Can our forces stay combat ready with more individual and small unit training? How much could be saved annually?

Answer. I would like to clarify that I am not necessarily in favor of small scale exercises at the exclusion of large scale exercises. Instead, I am working to find the right mix of both, which will accomplish the needed training and continue to display our commitment to help defend Europe. For example, I feel strongly that the REFORGER exercise adds significantly to our deterrent posture. It clearly shows our capability and resolve to reinforce Europe. My U.S. and NATO staffs are both looking at not only the size of exercises but how to improve the quality of training accomplished during exercises. Concerning more individual and small unit training, I believe we have trained the soldiers well, but that our training needs to be improved for our commanders and senior leaders. We are trying to determine what is the right mix of field training, command post exercises, and simulation needed to form a command field exercise to better train our commanders and their staffs. Developing this optimal mix should lead to improved training, but may not necessarily significantly reduce the overall cost of training. It is still too early to determine which improvements will be made and therefore I cannot predict a cost savings for those improvements.

CINC'S ROLE IN BUDGET FORMULATION

Question. General, the 1986 Defense Reorganization Act enhanced the role of the "CINCs" in formulating the budget.

How has the role of the CINCs changed in the budget formulation? Are your positions being heard in the Pentagon?

Answer. I am quite satisfied with my enhanced role in the budget formation process. At all key decision points my input has been sought and considered.

Question. What are your highest priorities?

Answer. My priorities remain: (1) modernizing theater nuclear forces; (2) modernizing conventional forces with an emphasis on FOFA systems; and (3) improving the readiness of forward deployed forces.

Question. Are the CINCs part of the budget review process involved in President Bush's decision to reduce the Reagan budget request by $6.3 billion?

Answer. Yes. As in the past, the Services are preparing reductions to their programs to meet the revised guidance. Prior to any decision on those proposals, I will be provided ample opportunity to review and assess all proposed reductions regarding their impact on my mission accomplishment. Any concerns I may have will be communicated directly to the Chairman of the Joint Chiefs of Staff and SECDEF. Finally, I will participate, with other senior people in the Services and OSD, in a Defense Resource Board to discuss final budget reductions.

CONVENTIONAL AMMUNITION PRIORITIES

General Galvin, your testimony emphasizes the importance of ammunition for conventional defense of NATO. Yet, the defense budget, even without President Bush's reductions, significantly reduces ammunition procurement. In fiscal year 1989, Congress funded $2 billion for ammunition procurement. The Reagan budget requests $1.73 billion for fiscal year 1990 and only $1.54 billion in fiscal year 1991.

Question. Does this declining ammunition procurement budget make sense to you?

Answer. The reduction in ammunition procurement is in proportion to the overall reduction, so it is logical in that sense.

Question. Where does procurement of conventional ammunition rank within your CINC budget priorities?

Answer. I do not have a budget. My theater priorities are provided to my component commands and the Secretary of Defense in my Integrated Priorities List for consideration in programming and budgeting by the Services. Conventional munitions for both training and war reserves stocks figure prominently on the list.

Question. Did you or other CINCs have much input in the Army's decision to cut back ammunition procurement?

Answer. Ammunition procurement was among the items selected for discussion with the CINCs at the Defense Resources Board last summer during the fiscal year 1990-94 program review process. I had the opportunity to make my case for supporting critical theater programs, which included munitions.

FOLLOW-ON TO COPPERHEAD

Question. The Army R&D budget requests $28 million in 1990 and $27 million in 1991 for a NATO multi-nation effort to develop a follow-on for the Copperhead munitions. We understand that the program is slipping because the West German Government has not agreed to fund its share. Given the German position and the need for munitions, wouldn't these funds be better spent on procuring additional stocks of munitions?

Answer. As with all proposed funding for multi-nation cooperative projects, if a firm sponsor nation commitment is not forthcoming, or is withdrawn, funds will be reallocated to another multi-nation cooperative project. Funds approved to support multi-nation cooperative efforts cannot be diverted to non-cooperative projects.

REVERSABILITY OF GORBACHEV'S INITIATIVES

Question. Mr. Gorbachev said it would take 2 years to implement his initiatives. How long would it take for them to be reversed? At what point in the implementation of the initiatives may we be confident the reductions/restructuring are not easily reversible and we can safely modify our own forces/defense budgets?

Answer. We will see how Mr. Gorbachev restructures the residual force. If he simply removes tank divisions and tank regiments and leaves the army and division structures otherwise intact, he can bring those forces back rapidly in a crisis and simply plug them back in. Rather than base the decision on when to reduce U.S. forces in Europe on Mr. Gorbachev's 7 December initiative it would be better to consider the impact of such moves on the CFE talks. The potential prize there is reductions to parity below current NATO levels. To win this prize, we must hold at current levels until we have our agreement. I believe the Soviets have considerable incentive to reach an agreement.

U.S. RESPONSE TO GORBACHEV

Question. How can the U.S. and its allies respond to Gorbachev now to meet a political need to support conventional arms control but to avoid premature actions with adverse military and diplomatic impacts?

Answer. An important aspect of arms control that Mr. Gorbachev understands and manipulates well is public opinion. NATO has handled the allied response to Gorbachev very competently by emphasizing the need for factual information and physical evidence of change, not announcements of intent. But, we can and must go further. We must educate our publics by describing our actions, past and present, as well as our objectives for arms control. The Soviets have always indicated concern with our nuclear capability. On the other hand, the West has been concerned about Soviet massive conventional superiority. The Soviets are now indicating a willingness to reduce about 10 percent of their conventional forces. We in the West have made two unilateral reductions of our nuclear forces over the last decade, amounting to 2400 warheads. If we follow through with the recommendation of my Nuclear Weapons Requirements Study now before NATO, we can make a third significant reduction. I believe we have provided an adequate response to the Soviets; in fact, we have been more forthcoming than they. As you know, even if the announced reductions are implemented, the Warsaw Pact will retain substantial advantages in virtually every crucial equipment category. To avoid the "hostage syndrome" and its adverse military and diplomatic impacts on achieving parity of military capabilities, NATO will await proof of Mr. Gorbachev's intent during the course of the CFE negotiations.

Question. How should we respond to restore European support for NATO's nuclear and conventional modernization efforts?

Answer. The requirement to modernize NATO nuclear forces was foreseen by the Nuclear Planning Group at Montebello in 1983, elaborated in the 1985 Nuclear

Weapons Requirement Study (NWRS-85), and revalidated in subsequent work of the Nuclear Planning Group, NATO High Level Group, and NWRS-88. The requirement to modernize conventional forces is recognized by the Defense Planning Committee and outlined in the Conventional Defense Improvement Initiative. The current modernization controversy is over when to modernize, not whether or not modernization is required. NATO's best response to Mr. Gorbachev's initiatives, as they impact "when to modernize," is to pursue modernization according to the recommendations of the Defense Planning Committee. We should stress that in this technological age, modernization is a common part of everyday life. For the military a failure to modernize means that the armament of the forces will become obsolete. The Soviets have recently modernized their "SNF" nuclear forces, that is their theater weapons with a range under 500 kilometers (300 miles). They have substituted the SS21 (Scarab) for the older Frog and Scud; they have brought in the SS-N-21 sea-launched missile (which ranges Europe from the Baltic Sea); they have added the AS-15 tactical air-to-surface nuclear missile. At the same time they have been vehement in their opposition to the modernization of the NATO theater nuclear forces. NATO, notwithstanding this opposition, does need to have up-to-date nuclear capabilities in Europe, first for the obvious military reason, but second because it is this demonstrated Alliance unity and resolve that produced the fruits of the Intermediate-range Nuclear Forces Treaty and the current Soviet willingness to negotiate conventional arms.

GORBACHEV'S INITIATIVES

Question. Do the initiatives, if implemented fully, affect Soviet abilities to maintain control over Eastern Europe?

Answer. No. Soviet military control of the Warsaw Pact is not jeopardized by any of Mr. Gorbachev's announced withdrawals. In fact, East Germany, Poland, Czechoslovakia, Bulgaria, and Hungary have announced their own defense reductions following the Soviet lead. While the announced reductions, if carried out in total, will diminish Warsaw Pact capacity [deleted]. A force with the capacity to attack NATO is more than capable of exerting its influence over the Warsaw Pact.

WITHDRAWAL OF U.S. TROOPS FROM EUROPE

Question. General Galvin, the former U.S. Army Chief of Staff, retired General Edward C. Meyer, has been quoted as predicting it is inevitable that thousands of U.S. troops will be withdrawn from Europe in the next 4 years and that the new Administration ought to be planning now for that withdrawal. General Meyer reportedly gave as reasons for his prediction Gorbachev's troop reductions/restructuring initiatives; the strained economies of the U.S. and USSR: allied demands for mutual troop cuts; and the coming decline in youth populations of NATO and Warsaw Pact nations. Do you agree with your former Army colleague?

Answer. General Meyer is not only my colleague but my mentor and a man I admire immensely. In this case, however I do not agree that it is necessarily "inevitable" that significant numbers of U.S. troops will be withdrawn from Europe. Current projected Soviet reductions do not sufficiently alter the force imbalance to justify any U.S. troop reductions. If the Soviets are serious about negotiating away their conventional force superiority, then, some U.S. forces may be withdrawn. We all are looking at various possibilities.

WEST GERMAN GOVERNMENT AND LANCE

Question. General Galvin, NATO electorates are divided sharply on security issues. The West German Government wants NATO to wait until after that Nation's 1990 election before deciding issues about the Follow-on-to-Lance short-range nuclear missile.

If forcing Lance issues now threatens Alliance political cohesion and the re-election of a pro-NATO government in West Germany, is it militarily and politically prudent for the U.S. to press NATO to make such decisions this year?

Answer. I believe we should approach the LANCE issue logically, one step at a time. For example, since we don't currently have a LANCE follow-on identified, we should not ask the FRG for a specific decision now on deployment. At the same time, the ability to deter war and if necessary to defend the West is contingent on our mix of nuclear and conventional forces. Within these forces a surface-to-surface missile is vitally necessary, because the other alternatives do not suffice to support the strategy (aircraft face strong countermeasures and artillery is too short in range). We should be asking NATO in general and the FRG specifically to support the need for TNF modernization in principle. To keep FOTL development on track toward a 1995 IOC, we need congressional funding for the key RDT&E years (fiscal years 1990–93). I am hopeful that a NATO summit statement supporting the need for TNF modernization will secure congressional RDT&E funding for fiscal year 1990.

NATO SUPPORT FOR NUCLEAR MODERNIZATION

Question. Which NATO governments and their publics are the most and least supportive of U.S. positions on short-range nuclear modernization issue, on responding to Gorbachev's initiatives, and on increasing allied burdensharing?

Answer. Each ally views modernization, Gorbachev's initiatives, and burdensharing from a different perspective and the perspectives run the entire spectrum. On modernization, the United Kingdom is a staunch supporter of prompt nuclear modernization, and the Federal Republic of Germany is the linch pin for the central region. Mr. Gorbachev's initiatives are uniformly welcomed as an indicator of hope for better relations. Burdensharing is a recognized requirement to which all governments in NATO subscribe. A wide range of contributions by Allies include: financial and human resources, land and facilities, services and sacrifices, cooperation and solidarity in the face of vocal domestic opposition. Since many burdens are not quantifiable, precise comparisons by country are not always possible. The NATO Defense Burdensharing Report of December 1988 correctly stated that all NATO allies need to do more to meet the collective defense goals and supported a wide range of burdensharing efforts such as commitment of adequate financial resources, development of public support, meeting force goals and increasing sustainability. Overall, individual governments and their publics will support applicable burdensharing increases in their respective nations; however, U.S. selective comparisons will only be met by statistics that emphasize other burdens. Our goal should be to improve upon known weaknesses and to recognize strengths for each partner.

Question. What are the implications of these disagreements on NATO political cohesion and the NATO Warsaw Pact Military balance in the near-term and the far term?

Answer. An alliance of sovereign democracies produces strength through diversity and debate. However, continuous debate and failure to act on the modernization recommendations of the Defense Planning Committee will adversely impact the near- and far-term military balance. In the near-term, existing asymmetries will continue and be exacerbated as the Soviets modernize. In the far-term, hope for conventional arms control will erode as the Soviets achieve their goals without compromise.

WEST GERMAN GOVERNMENT AND LANCE

Question. Last summer you wrote in the Canadian Defense Quarterly that NATO success in arms control and in deterring aggression "Will depend on the demonstrated cohesion of the Alliance . . . Nations must not let divisive issues like . . . nuclear modernization splinter the Alliance."

Should the U.S., as NATO's senior partner, be taking your advice now if the West German Government may not be politically secure enough to address LANCE issues until 1990?

Answer. I believe we should approach the LANCE issue logically, one step at a time. For example, since we don't currently have a LANCE follow-on identified, we should not ask the FRG for a specific decision now on deployment. Rather, we should be asking NATO in general and the FRG specifically to support the need for TNF modernization in principle. To keep FOTL development on track toward a [deleted] we need congressional funding for the key RDT&E years (fiscal years 1990–93). I am hopeful that a NATO summit statement supporting the need for TNF modernization will secure congressional RDT&E funding for fiscal year 1990.

FOLLOW-ON TO LANCE

Question. A special report of the North Atlantic Assembly's Committee on "NATO in the 1990's" stated the Alliance should continue to study options for follow-on systems to Lance but that this should not be the highest priority in the NATO nuclear modernization program.

In terms of operational flexibility, target coverage, and impact on Soviet conventional breakthrough tactics, which is militarily more important—the Lance Follow-on or the other major short-range nuclear modernization program, the Short-Range Attack Missile-Tactical (SRAM–T)?

Answer. From a military point of view, both the Follow-on-to-Lance (FOTL) and the Short-Range Attack Missile-Tactical (SRAM-T) are essential; However, [deleted].

ALLIED CODEVELOPMENT OF FOLLOW-ON TO LANCE

Question. Last year, this Committee directed the Defense Department and the Army to aggressively pursue cost-sharing agreements with NATO Allies for codevelopment and deployment of the Lance Follow-on.

Were such agreements discussed in NATO councils before the U.S.-West German rift over the missile erupted in the past two weeks? What are the prospects for such cost-sharing should NATO successfully resolve its political dilemmas about the missile in the next 2 years?

Why shouldn't development and deployment cost-sharing be pursued with respect to the SRAM-T, which is a noncontroversial component of the NATO short-range nuclear modernization program?

Answer. Development cost-sharing for Follow-on to Lance (FOTL) is tied to the Multiple Launch Rocket System (MLRS) and the FOTL missile. FOTL will be a nuclear system launched from the MLRS M270 launcher. Seven NATO nations are involved in codevelopment and deployment of the MLRS system, and two additional countries are considering MLRS purchase. The FOTL missile has not yet been selected and agreements for codevelopment of FOTL have not been discussed in NATO channels. Deploying Allies (current Lance, nuclear artillery) will purchase the missiles and modified MLRS launchers from the U.S.

Regarding SRAM-T, [deleted].

QUESTIONS SUBMITTED BY SENATOR BYRD

PREPOSITIONING EQUIPMENT IN EUROPE (POMCUS)

To speed the reinforcement of NATO in the event of a conflict with the Warsaw Pact, equipment for those units which will arrive from the United States is pre-positioned in Europe. Called POMCUS (Pre-positioned Material Configured in Unit Sets), this storage arrangement would be crucial to a successful defense of NATO. If POMCUS stores are not at full inventory, in the event of war the equipment would have to be sealifted from the United States, delaying reinforcements several weeks, if not months.

Question. Are you satisfied with the current state of POMCUS programs?

Answer. As you noted, POMCUS is crucial to a successful defense of Europe. The amount of equipment stored in Europe has nearly doubled since 1982, but completion is not yet on the near horizon. The Army projects about [deleted] fill in their fiscal year 1990-94 POM, up from a current level of [deleted]. At that rate, it will take [deleted] years to fill POMCUS. Given today's fiscal environment, I am happy that we do continue to make progress, but I cannot be satisfied until either POMCUS is filled, or we have enough strategic lift to move any equipment not yet in the theater soon enough to meet our reinforcement commitment.

Question. Have POMCUS inventories reached an adequate level?

Answer. The level cannot be termed adequate until POMCUS is either completely filled, or we have enough strategic lift, both airlift and sealift, to move the shortfall to Europe fast enough to meet our ten divisions in ten days (10-in-10) commitment.

Question. If there are equipment shortages, which do you believe most critical?

Answer. Common equipment shortages among units currently authorized storage in Europe include [deleted]. Units not yet authorized storage have no equipment in theater. As additional warehousing is brought on line, the Army plans to authorize storage for about [deleted] more units during the fiscal year 1990-94 POM period.

CONVENTIONAL ARMS CONTROL

Question. NATO and the Warsaw Pact are about to begin negotiations to reduce conventional forces in Europe. These negotiations, called the Conventional Armed Forces in Europe (CAFE) Talks, could result in reductions or restructuring of the forces under your command.

What procedures exist to ensure that the objectives of arms control negotiators are consistent with NATO's military strategy?

Answer. Although the CFE negotiations are not alliance-to-alliance negotiations, NATO's High Level Task Force, composed of national political-military representatives, is responsible for developing and recommending arms control positions for

NATO ministerial approval. This procedure ensures consistency with NATO strategy.

Question. As Commander-in-Chief, Europe, and as Supreme Allied Commander, Europe, how will your views be represented in the course of the CAFE negotiations?

Answer. The CFE negotiating position forwarded by NATO is based on the national positions held by each member nation. The U.S. national position is developed from the interagency process, a process that incorporates the views of many U.S. agencies. My input, as USCINCEUR, is through the JCS and is only a part of the defense input to the interagency process. As SACEUR, my formal SHAPE input is through the Military Committee and the Defense Planning Committee to the North Atlantic Council. During the development of arms control recommendations for the defense ministers, the NATO High Level Task Force has invited my international headquarters to coordinate with it on subjects of military significance.

FORCE REDUCTION OBJECTIVES

Question. Would you provide the Committee with what your command believes to be desirable force reduction objectives?

Answer. We support a comprehensive package of asymmetrical reductions of the preponderant Warsaw Pact conventional forces (with emphasis on stationed offensive equipment), mutually constraining and confidence building stability measures leading to parity of military capabilities, and a system of comprehensive compliance monitoring provisions. To establish a more secure and stable balance of conventional force capability at lower levels, we must eliminate disparities in combat power, composition, and disposition that are prejudicial to stability and security. If we achieve overall parity of forward deployed active forces, we eliminate the capability of the Warsaw Pact to launch a surprise attack or initiate a large scale offensive action. We need to establish a quantifiable, meaningful, and observable compliance monitoring regime focused on residual force readiness, sustainability, mobilization, and force generation capability.

We will want to constrain reduced Soviet forces to the degree necessary and consistent with NATO needs for strategic indications and warning. It will be necessary to maintain undiminished NATO security throughout the negotiation and reduction processes. We will need to insure undiminished security during reductions. We should not be constrained in theater force restructuring, modernization, or adoption of stabilizing technology.

C3 COMPATABILITY

Question. Rapid and reliable command, control and communication (C3) is critical to the successful execution of the Air Land Battle and Follow-on Forces Attack (FOFA) doctrines. This communication capability must exist not only between U.S. armed forces, but between all allied NATO forces. Do you believe that U.S. and NATO C3 systems are sufficiently compatible?

Answer. U.S. and NATO C3 systems are compatible at the strategic level, i.e., we can talk to each other on the telephone and we can send messages to each other. Our systems are not yet sufficiently compatible at the tactical level where we use devices such as the combat net radio. We are working to resolve these problems through the use of Standardization Agreements (STANAGS) which are standards that all the nations of the alliance will use to guarantee the compatibility that we need.

Question. What, if any, troublesome areas do you see in NATO C3 capabilities?

Answer. NATO has the same problem as the United States. The basic capability is there but it needs to be modernized. More secure voice communication is required. Also, C3 for nuclear assets must be upgraded. In the past 2 years NATO has made considerable progress in the area of C3 planning, and NATO understands its C3 needs.

Question. If U.S. C3 modernization must be slowed or delayed for lack of funds, what programs do you believe deserve the highest priority?

Answer. The programs that deserve the highest priority are those that provide us secure voice communications, those that support the command and control of our nuclear forces, and those that will allow HQ USEUCOM to exercise command and control over its area of operations.

Questions Submitted by Senator Bumpers

SOVIET SURPRISE ATTACK CAPABILITIES

Question. How significantly do you believe that the force reductions announced by President Gorbachev will affect Soviet surprise attack capabilities in Europe?

Answer. Gorbachev's announced reductions of some six tank divisions from the forward area causes the force ratio in the forward area to fall marginally and makes an unreinforced surprise attack option less likely. The actual shape the Gorbachev reductions will take is not clear. We need to determine how he plans to reorganize his forces and how much of the support structure is removed before we can determine how quickly the forces can be returned. He still has substantial superiority in a short warning scenario of about 10 days because NATO's reinforcements are much slower in arriving, especially reinforcements from across the Atlantic.

REASON FOR GORBACHEV REDUCTIONS

Question. It is unusual for one side to make unilateral reductions in its forces on the eve of talks aimed at limiting such forces (the "Conventional Forces in Europe—CFE—" talks starting next month in Vienna). Why do you think they are doing this?

Answer. In addition to Mr. Gorbachev's stated desire to shift resources and enhance economic development, it may very well serve the Soviet Union to reduce forces outside a structured agreement, providing them unrestricted flexibility to restructure. The Soviets are also capitalizing on arms control euphoria in Western Europe to forestall planned NATO modernization, encouraging unilateral Western reductions outside the context of NATO, and attempting to weaken NATO through a well orchestrated public relations campaign.

U.S. RESPONSE TO GORBACHEV REDUCTIONS

Question. In your testimony you make a point about the Soviets with which I strongly agree, that Gorbachev had to reduce his forces and is making a virtue of necessity and reaping political gain by announcing the cuts. The U.S. is facing some of the same internal pressures as the Soviet Union, though fortunately not as severe. If we end up having to make cuts in the defense budget—I know you wouldn't want to, but let's just say it became inevitable—wouldn't it be appropriate for us to announce the cuts that we will end up making anyway and take some political credit for it, as Gorbachev has done?

Answer. I believe that any cuts we make should come as a direct result of conventional arms negotiations. There are some fundamental differences between the Soviets and NATO that allow Mr. Gorbachev the latitude to make his perceived magnanimous gestures. First, the disproportionate size of the Soviet forces affords him untold restructuring flexibility and was an embarrassment to his policy of "defensive sufficiency." Secondly, force structure decisions to increase, or decrease, come hard in an Alliance of democracies. Mr. Gorbachev's centralized control over Soviet force structuring decisions and influence over Warsaw Pact force structure afford him the flexibility to implement quickly or reverse his decisions. Keeping in mind the impending CFE negotiations, the U.S., as an Alliance member, should pursue the agreed NATO strategy to achieve Warsaw Pact reductions under the binding stipulations of a CFE agreement.

MULTIPLE LAUNCH ROCKET SYSTEM

Question. You highlight the role that the Multiple Launch Rocket System (MLRS) makes in your defense plans on page 10 of your testimony. Yet the army proposes producing just 24,000 MLRS rockets in the fiscal year 1990 Budget, vs. 48,000 in fiscal year 1989, and 72,000 for the 4 years before that. Would you support an increased buy of MLRS rockets in fiscal year 1990? Would you be willing to give up something else in order to get them?

Answer. While I would desire to have additional MLRS rockets, I believe the current procurement represents a rational tradeoff between the MLRS and other competing needs such as additional lift, POMCUS, and CS/CCS. The higher procurement figures for the previous years are primarily a result of the initial fielding of the system and the corresponding ramp up to provide an initial minimum stockage of MLRS rockets. The MLRS remains a key part in my defense plans and I support the current procurement schedule.

GERMAN OPPOSITION TO NUCLEAR MODERNIZATION

Question. In a speech given in the Russell Senate office building earlier this month, Dr. Otto Lambsdorff, the leader of West Germany's free Democrats, denied that Germany was suffering from "Gorbomania," as he put it. Yet there seems to be growing opposition in Germany to the modernization of our Short-Range Nuclear Missiles, the Lance. Germany's Free Democrat Foreign Minister, Mr. Genscher, is notably cool on this, too? What can the U.S. do to facilitate Lance replacement in the [deleted] time period in Germany, assuming it remains necessary?

Answer. FRG support is essential if we are to replace Lance in the [deleted] time frame. I believe three measures will be useful in gaining their support. First, the U.S. itself should indicate solid support by including the requested R&D funding in the FY 90 budget. Second, we should recognize that since the missile has not been built or tested, we do not need a specific deployment decision now, and we should request a general statement support for modernization at the Spring 1989 summit. Finally, we can make it clear that deployment of Lance in reasonable numbers should result in a reduction in the overall atomic stockpile—the nuclear weapons Germans like least.

SOVIET USES FOR WITHDRAWN EQUIPMENT

Question. Is there any chance that the Soviets might take some of their equipment that they are withdrawing from Europe and give it to client states like Angola or North Korea?

Answer. It is possible that the Soviets might take some of their withdrawn equipment from Europe and provide it to a client state; however, we have no indications that the Soviets are planning to take such action.

NEED FOR FORWARD DEFENSE

Question. Doesn't NATO's emphasis on a forward defense posture potentially raise the question of NATO employing nuclear weapons very early in a major conflict? I recognize that there are very important political considerations, but from a purely military point of view, wouldn't NATO be better off with a defense in depth posture, which would allow some trade-off of land for time?

Answer. Yes, from a purely military point of view. But, as you are aware, NATO is much more than just a military alliance. There are good political reasons why this is not an appropriate approach, not the least of which is that 50 of the West German population and industrial base is within the first 100 kilometers from the East German Border. It would be very difficult to task the German public to support a NATO defense strategy which would subject their neighborhoods to destruction by more prolonged conventional operations. But going deeper into the issue raised here, I don't believe that a forward defense necessarily means an early employment of nuclear weapons in a major conflict. The function of the NATO defense is to prevent war in the first place by proving to pose an unacceptable risk for the other side. They will recognize an unacceptable risk if they see they can't achieve a quick conventional success before a rational consensus decision can be made on the first step of nuclear escalation. That first step makes further escalation to strategic levels likely to the potential aggressor and ensures that he does not take even the very first step in an aggressive chain of events which can only lead to his destruction. The soundness of the conventional defensive deterrent is important, and a forward defense posture is militarily more difficult to achieve. But this is the price of maintaining the credibility of the entire system of deterrence.

FAST SEALIFT SHIPS

For over a quarter of a century Congress has been told that fast sealift ships would be an important addition to the U.S. defense posture, yet we have added only eight of them, and that was done several years ago.

Question. How many would you like for the U.S. to have, and what would be their impact on our resupply capability in Europe?

Answer. I really cannot give you a good number. I would like for the U.S. to have enough fast sealift that, when combined with airlift and repositioning, will allow us to meet our reinforcement commitment in Europe. With its high tonnage capacity, and flexibility for rapid deployment world wide, fast sealift significantly increases resupply capability. Recent studies, some still ongoing, are seeking the answer to the best mix of lift and repositioning. All of the data I have seen is unanimous that more strategic lift capability is needed, both airlift and sealift, but the amount varies. [Deleted.]

Question. Why doesn't the Defense Department make a serious request for these ships?

Answer. As Senator Denton's report to the Commission on the Merchant Marine indicated, the problem of eroding maritime capability is a national problem. I think that more can be done by the military, and should be. But I also think that the real solutions lie in revitalization of the U.S. maritime industry.

LANCE OBSOLESCENCE

Question. How hard and fast is the 1995 date given for Lance obsolescence? What would be the problems if we delayed until, say, 1997?

Answer. The useful life of Lance has already been stretched beyond the expected point by a Service Life Extension Program (SLEP), and the 1995 date is firm. Maintaining Lance beyond that would cause significant problems in terms of spare parts availability, electrical component reliability, and [deleted].

DECISION OF FOLLOW-ON TO LANCE

Question. A period of 4 years elapsed between NATO's INF modernization decision in December of 1979 and the December 1983 deployment of Pershing II and GLCM. If the 1995 Lance obsolescence date is valid, why are we pushing NATO for a Lance follow-on decision now, 6 years before 1995?

Answer. Reaching the declared 1983 deployment dates for GLOM/PII required considerably more compression and concurrency in development/testing/deployment than is generally allowed. All concerned agreed the urgency of the situation merited the associated risks—and they were right. Although GLOM experienced early reliability problems, the display of Allied cohesiveness and steadfastness led to the INF Treaty.

[Deleted.] Congressional funding this year (FY90) probably will require NATO support in principle for TNF modernization.

SUBCOMMITTEE RECESS

Senator McCLURE. The subcommittee will recess until Thursday, February 23, at 10 a.m., when we will continue our hearings with the CINC's. Adm. Huntington Hardisty, Commander of the U.S. Pacific Command, and General Louis Menetry, Commander of U.S. Forces in Korea, will testify on that date.

The subcommittee now stands in recess.

[Whereupon, at 11:38 a.m. Tuesday, February 21, the subcommittee was recessed to reconvene at the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

THURSDAY, FEBRUARY 23, 1989

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:06 a.m. in room SD–192, Dirksen Senate Office Building, Hon. J. Bennett Johnston presiding.

Present: Senators Johnston, Sasser, Bumpers, Harkin, Stevens, McClure, D'Amato, Cochran, and Specter.

DEPARTMENT OF DEFENSE

REVIEW OF WORLDWIDE MILITARY COMMITMENTS

STATEMENT OF ADM. HUNTINGTON HARDISTY, U.S. NAVY, COMMANDER IN CHIEF, U.S. PACIFIC COMMAND

OPENING REMARKS OF SENATOR JOHNSTON

Senator JOHNSTON. Good morning.

This hearing has been advertised as being "closed/open," which is congressionalese for we did not know exactly what to do, so we put it both ways. But we have decided to make it open, so we may let anyone in.

This hearing is a continuation of the subcommittee's review of worldwide military commitments. The subcommittee has decided to begin its hearings this year by receiving testimony from each of the military unified commanders. Our objective is to place the President's request for defense spending into an operational framework.

In furtherance of that objective, today we will hear from Adm. Huntington Hardisty, the Commander in Chief of the Pacific, or CINCPAC. In view of the unique organizational structure of our commitments in Korea, Admiral Hardisty will be followed by Gen. Louis Menetrey, Commander of U.S. Forces in Korea.

Our operational commitments in the Pacific require a far more complicated plan than any other theaters of the world by virtue of the sheer expanse of the region. Unlike the European theater, Pacific planning demands flexibility for military response to wide-ranging scenarios over an immense geographic distance.

In addition to the complications brought on by geography, the Pacific represents a variety of cultural and economic factors which must be addressed to fulfill its foreign policy objectives. Among these variables, the committee is most interested in two issues: The cost of meeting the wide range of operational contingencies, and the means to minimize these costs by achieving more equitable burdensharing arrangements.

The rich diversity of the region demands an innovative approach to maintaining our operational commitments without skyrocketing costs.

In Admiral Hardisty, we have a military commander qualified to meet such a challenge. Thank you for being with us this morning, Admiral, and welcome to the committee.

Senator Stevens, after the opening statements—after Senator Stevens has his statement, we will turn to Admiral Hardisty for his statement.

Senator Stevens.

Senator **Stevens**. I do not have an opening statement this morning. Thank you.

Nice to see you here, Admiral.

Senator **Johnston**. Do you?

Senator **Specter**. Thank you, Mr. Chairman. I do not have an opening statement, either. I would just like to say that I have commitments in Judiciary as well, so I will be shuffling back and forth.

Senator **Johnston**. Admiral Hardisty.

SUMMARY OF STATEMENT

Admiral **Hardisty**. Thank you, Mr. Chairman. I certainly appreciate the opportunity to appear before you today and I will summarize my remarks in my oral statement.

I would like to say at the outset, we are certainly approaching changes in the strategic environment, and I think those changes are highlighted by the prospect of relaxed tensions between the United States and the Soviet Union, the increasing importance of economic factors, and, of course, the mandate that our national budget deficit be reduced. All of these factors are likely to weigh heavily in the continuing appraisal of our security policies and our defense budget.

I would like to mention briefly this morning the importance of the Pacific, a little bit about the current threat, the strategic situation, and my priorities.

AREA OF RESPONSIBILITY

Seven of the ten world's largest armies are in the Pacific. Seven of the ten of our mutual defense and security treaties are in the Pacific. Our trade in the Pacific has exceeded that with the European Economic Community for the last 17 years. Over one-third of our trade is in the Pacific, while only one-fifth of our trade is now with Europe.

By the year 2000, the gross national product will double in the Pacific area. By the year 2010, it is forecast that India will outstrip China in population.

So if there is any word to describe the Pacific, it is one of change, one of dynamism, and one of tremendous economic growth in the past decade.

STRATEGIC SITUATION

Our strategy is a forward basing strategy that has served us well since World War II. The Pacific is characterized by strong bilateral relationships, unlike that of NATO. We do not have a collective security agreement, but very strong bilateral relations and security agreements with Japan, Korea, and the Philippines. Our relations with ASEAN are friendly. We have got strong security commitments with Australia.

We have seen the emergence of 12 new nations in the Southern Pacific in the last 15 years, where security assistance and our title 10 funding is very important for our peacetime strategy.

CURRENT THREAT

Looking at the current threat since July 1986, when Mr. Gorbachev spoke at Vladivostok, I have not seen any reductions in Soviet capabilities in the Pacific. We have heard about troop reductions. We understand there will be troop reductions in Mongolia. There well could be lessening of tensions on the China-Soviet border.

But my concerns are power projection and my concerns are Northeast Asia. Since July 1986, we have seen quantitative and qualitative improvements in the Soviet Pacific fleet. Of the ballistic missile submarines in the Soviet Navy, 40 percent are in the Pacific. We have seen fourth generation fighters deployed to Sakhalin, the Kuriles, and the Kamchatka Peninsula. We have seen the deployment of the road-mobile SS-25 intercontinental ballistic missile.

I feel it is too early to say that the threat has really changed. I think we are in a wait-and-see mode. We should not make adjustments to the lessening of tensions at this time. I see less of a bipolar focus in the Pacific and more of a multiple focus in the future, with the emergence of India and China factoring into that equation.

As far as my priorities go, my key top five budget priorities are: antisubmarine warfare; surveillance, intelligence, and early warning; modernization of my air, long-range intercept capability; modernization with threat-oriented ammunition; and strategic lift and the C-17, which are a key factor and concern in the Pacific because of the vast distances that the Chairman mentioned and the fact that we have to remain flexible.

Sustainability is also a concern. If I had a top three I would say people, readiness, and sustainability. Speaking of our people, we get a lot of bang for our buck in the Pacific. Less than 20 percent of your Armed Forces are in the Pacific Command and it covers over 50 percent of the world's area.

So we are lean and mean, about 160,000 forward-deployed military, a total of 372,000 in the whole Pacific Command. But we are a quality force. We have a good strategy. I am confident in my ability to fight and win, whether it be a limited contingency situation or in a confrontation with the Soviet Union.

Your Pacific Command is in great shape from my point of view. We are going to have to tighten our belts and share the deficit, and we stand by and are prepared to do that, Mr. Chairman.

Thank you.

Senator **Johnston**. Thank you very much, Admiral Hardisty.
[The statement follows:]

Statement of Adm. Huntington Hardisty

Mr. Chairman, I appreciate the opportunity to be here today to talk about the Pacific Command. This is my first appearance before you as Commander-in-Chief. I look forward to a cordial and productive relationship with you, Mr. Chairman, and with the distinguished members of your subcommittee. We all share an abiding interest in preserving America's vital security stake in the Pacific. Our military forces in the Pacific help maintain the peace and security of the region through the maintenance of a credible deterrence posture. This deterrence posture is based on a sound strategy of forward deployment and high force readiness. In these uncertain times we need to ensure that our military forces in the Pacific remain ready, sustainable and appropriately sized to fulfill our wide-ranging security responsibilities.

At the outset I want to assure you that I understand we are in a transition period. This period is characterized by the Gorbachev initiatives, the need to deal with our national deficit, and a future world climate in which economic factors will weigh particularly heavily in the continuing appraisal of our security policies and objectives.

INTRODUCTION

I would like to focus my remarks on the increasing importance of the Pacific, the threat to peace and stability in the area, the U.S. security posture in this part of the world, and the role of our friends and allies. I will conclude with a few of my warfighting and peacetime strategy concerns about present trends and their potential impact on our security presence in the Pacific.

As you well know, the Pacific today is a dynamic region undergoing broad change. Although it is still a bi-polar theater dominated by the U.S.-U.S.S.R. military balance, the continued development of regional and sub-regional powers such as Japan, China, India, and South Korea plus the emergence of the South Pacific with its many newly independent nations make that balance more complex. The explosive economic growth of the Pacific has meant that some of our allies and close friends, who were once economically dependent on us, are now among our most vigorous economic competitors. This has produced new and different pressures within our alliance network.

In addition, the political movements taking place in the region have had significant impact on U.S. relationships. On the one hand, the move toward democratization in many countries has been a big boost to the spread of freedom. On the other hand, these political developments have also sparked a resurgence of nationalism that must be understood to ensure our mutual interests are served.

Finally, the move towards relaxation of tensions between Washington and Moscow has created the perception among some in the region that the Soviet military capability in the Pacific is no longer a matter of major concern. Some are beginning to question the need for the sometimes difficult political and military efforts so necessary to maintain the vigor of our alliance framework.

Our security strategy in this part of the world has, overall, been a solid success for the last forty years. I believe the principal task confronting us at present is to determine the necessary adjustments in our strategy to reflect today's new emerging realities without undermining a successful game plan that has helped to avoid world conflict for the longest uninterrupted period in this century.

IMPORTANCE OF THE PACIFIC

Former Secretary of War Elihu Root said in 1901: "The Mediterranean is the ocean of the past, the Atlantic is the ocean of the present, and the Pacific is the ocean of the future." Well, Mr. Chairman, I believe that future has arrived. The importance of the Pacific to the U.S. is indisputable. Trade with the Pacific has exceeded trade with the European Economic Community for 17 consecutive years. Over one third of all U.S. foreign trade is in the Pacific compared to only a fifth with Europe. By the year 2000, the Pacific's gross regional product is expected to double. On the security side, seven of our ten mutual defense treaties are with Pacific nations. Additionally, seven of the world's ten largest armies and over 60 percent of the world's population can be found within the Pacific area. The U.S. has played a key role in the dynamism of the region by developing and maintaining close relationships with many nations. Forward deployed U.S. forces contribute significantly to a regional stability that allows democratic ideals and economic prosperity to flourish.

THE THREAT

We would welcome a peaceful Soviet Union that is prepared to contribute to the security and development of the region. However, as a warfighting CINC I must deal with the real world, and rely on deeds rather than rhetoric. Since 1986, the Soviets have added three divisions to the Far East military district, bringing the total to 57. The Soviet Pacific fleet, already the largest of the Soviet fleets, continues to increase in size and capabilities. Modernization efforts include the latest fighters, bombers, tanks, personnel carriers, and self-propelled artillery. In exchange for Soviet access and basing rights to Vietnamese air and sea ports, the Soviets are providing aid estimated to be in excess of five million dollars per day. Camranh Bay alone is the Soviets' largest naval deployment base outside of the USSR. Finally, the Soviets continue to upgrade North Korean military capabilities with a steady infusion of modern Soviet technology and military hardware.

In spite of the continued military growth, I recognize that recent developments such as the INF Treaty and visits between top level U.S. and Soviet civilian and military officials point to the prospect of a more stable and constructive dialogue with the Soviets. And certainly President Gorbachev's decision to cut Soviet conventional force levels is a welcome announcement. But even if carried out, promised Soviet troop cuts will still leave a large, modern, ready, highly capable military establishment that bears watching.

I believe it is too soon for us to determine Soviet sincerity. There is still a wide gap between Gorbachev's rhetoric and action. Marshal Akhromeyev, former chief of the Soviet general staff, claims they have adopted a new policy of what they call "reasonable defense" sufficiency. While there may have been an announced shift in the strategy and interest of the Soviet Union, there is no evidence that Soviet capability has diminished.

Secretary General Gorbachev's most recent announcements of force reductions in the Far East do not alter my view yet. While we indeed welcome these important initiatives, the forces which threaten us directly—their Pacific long-range bomber force armed with cruise missiles and their submarine force—continue to improve in quantity and capability. In short, the threat of Soviet Pacific forces to the United States and its allies is the same or greater, even if all current initiatives are fully carried out.

In fact, it is my conviction that these several steps proposed by the Soviet Union toward reducing tensions have been brought about by our successful U.S. strategy and our steadfast dedication to an adequate security posture. The Soviets respect strength and will continue to respect it, regardless of the ultimate outcome of Gorbachev's initiatives.

In addition to successfully deterring the Soviet threat, adequate U.S. military strength in the Pacific holds another benefit for U.S. interests. Most, if not all, of our friends and allies in the region see the U.S. presence as a stabilizing influence affecting all the regional and sub-regional frictions and rivalries. Even exclusive of the Soviet threat, U.S. Pacific security posture fosters and maintains the political and economic climate that will be vital as a foundation for stability and growth in the region. Additionally, a continued strong security posture in the Pacific does much to preserve U.S. influence, access, and leverage, all necessary ingredients to maintaining trade relationships vital to expanding U.S. foreign exports to the region.

The time has not yet come for the U.S. to abandon our strategy of forward deployed forces and reduce our presence in the Pacific. Realities demand that we must have a viable, peacetime strategy in the Pacific to counter Soviet economic and diplomatic moves to extend their influence in the Pacific, while at the same time substantially contributing to the regional stability basic to U.S. economic and political interests.

U.S. SECURITY POSTURE

The USCINCPAC peacetime strategy seeks to strengthen our alliances, expand U.S. influence, and aid in nation building, thereby enhancing our military preparedness. Our military presence provides an opportunity to use our resources in ways that preserve U.S. influence and protect U.S. access to the region. We strive to build friendships through such programs as combined training exercises, humanitarian civic action, and disaster relief. In return, we build an appreciation for the role of U.S. forces in providing security and stability, build confidence in our host nations, and encourage them to build complementary forces to support common security interests. This approach, among other benefits, should lead to their support of the U.S. in contingency and crisis situations. But, more important to U.S. national security is the excellent forward posture that the peacetime strategy affords us. Should our overall military strategy of deterrence fail, the forward positions our military forces occupy in peacetime place us in an excellent posture from which to transition to combat. The peacetime strategy serves two purposes: to build confidence, influence and access with our friends and allies in the region while simultaneously, as a risk reduction measure, providing a favorable military posture that serves as a start point to execute our warfighting strategy.

Turning now to the Pacific Command's warfighting strategy, our efforts continue to focus on the deterrent value and credibility of posturing forward early on, thereby sending the right signals to the Soviets and our allies during periods of tension, crisis, and potential conflict. Such moves demonstrate resolve to put the Soviet forces at risk and to maintain peace and support for nations in the region, hopefully deterring the contemplated hostilities. However, should hostilities commence, our U.S. military forces are already optimally positioned to fight.

My judgment on our force readiness is based on observations during Pacific Command exercises. Year after year, U.S. Pacific Command soldiers, sailors, airmen, and marines have, during exercises, showcased their abilities to fight jointly, as well as with the combined forces of allied nations. Exercises such as Team Spirit in Korea, Orient Shield in Japan, and Cobra Gold in Thailand provide confidence in our ability to command and control our forces and fight in a combined manner, while at the same time emphasizing our resolve and ability to defend important Pacific allies. Likewise, I am confident that our Pacific Command forces can defend U.S. interests in forward areas. An excellent example of that capability is, of course, our successful and substantial contribution to the successful USCINCCENT effort to escort oil tankers safely in the Persian Gulf.

ROLE OF OUR ALLIES AND FRIENDS

Our mission to maintain peace involves a capability and national will to engage in war. But, U.S. forces cannot go it alone. Regional security is a team effort, and any team effort requires frequent assessment of mutual concerns and challenges. That assessment is ongoing. We are fortunate to have in place an alliance network which for more than 40 years has served as the ultimate guarantor of stability. The list of important allies and friends is long. Accordingly, in the interest of time, let me address some of the most topical.

JAPAN

The U.S. security relationship with Japan is the linchpin of our Pacific strategy. The Japanese are well on their way toward a self-defense force capable of meeting their commitment to defend the sea lanes out to 1000 miles. Airborne early warning, high performance interceptors, seaborne air defense and anti-submarine platforms are the prerequisites, and all are being accommodated and upgraded in Japanese defense plans and programs.

However, even after achieving their self-defense goals, Japan will be confronted by powerful elements of the Soviet Far East military forces, which operate literally in Japan's back yard. Japanese forces are good, but they face the more numerous and more powerful Soviets. The U.S. maintains a sizable force of five fighter squadrons, naval elements of the Seventh Fleet, and a marine expeditionary force in Japan. All of these forces are a part of the U.S. forward defense strategy and serve the mutual security interests of both countries and the region.

Although our military-to-military relations are excellent, there is some expression of anxiety over U.S. presence. There is an awareness of limited real estate for expansion of the Japanese economy and therefore sensitivity to the presence of U.S. forces, the land they occupy, and the air/land/sea space they train in. In spite of the growing concern, we must keep in perspective the importance of forward deployment in the critical Northeast Asia region.

In defense spending, the Japanese have done much, but I believe they can and should do more. We are looking for innovative ways to improve cost sharing. We're further exploring major Japanese contributions to assist economic development and stability around the Pacific. Our approach must be measured and comprehensive; and we need to work closely with their officials to keep the momentum going.

SOUTH KOREA

The economic strength of Korea and its improved defense posture is an important regional development. In spite of some encouraging efforts concerning North-South talks the security situation remains uncertain.

In concert with our ROK allies, we are examining ways the South Koreans can assume even greater responsibility for their own defense. But the threat has not diminished. Our force presence will continue to be required as a proven deterrent to North Korean adventurism. We should not consider reduction of this presence until such time as we see visible and measurable tension reductions and a diminished threat. Voices of anti-Americanism notwithstanding, this position is supported by most of our Korean friends.

While South Korea is contributing to the cost of maintaining our forces on the peninsula, we are examining ways for them to increase their contributions. These initiatives include aircraft maintenance, construction, labor cost sharing and measures to enhance interoperability.

PHILIPPINES

I am cautiously optimistic that the governments of the Philippines and the U.S. will see it in their mutual best interests for U.S. military presence to continue in the Philippines beyond 1991. At the same time, I recognize that we will face significant hurdles with the Philippines on issues such as assistance levels, criminal jurisdiction, and unhampered military operations. Nevertheless, I believe the as yet unscheduled negotiations stand a strong chance of succeeding because of the importance of the Philippines/U.S. relationship to both countries and to Asia as a whole.

Often unsaid is that the U.S. facilities are equally as important to the peace and stability of the entire Pacific basin. As partners in forward positioning of U.S. forces, the Philippines play a major role in promoting regional balance and mutual security.

In the event of a failure to reach agreement for continuing access to the Philippine bases there are alternatives. Relocation would be expensive, take years to complete, and would not necessarily provide the same geostrategic advantages we now enjoy. While our obligation to continue to fulfill our responsibilities to our friends and allies would remain unchanged, we would have to work extra hard to reassure them.

AUSTRALIA

Our alliance relationship with Australia is very close and will remain an equal partnership based on shared goals and interests. The Australian government remains committed to deterrence and arms control by participation in joint facilities and the granting of access for U.S. ships and aircraft. Australia and our bilateral relationship under the Anzus Treaty remain a cornerstone of stability and peace in the South Pacific and Southeast Asia. I am encouraged by the existing strength of Australian-U.S. relations and its bright outlook for the future.

CHINA

China continues on a path of economic and military modernization. They are key participants in many Asian equations. The Sino-Soviet summit could reduce border tensions; China is a consideration in any U.S. Northeast Asia strategy; tensions with Taiwan appear to be easing; China has demonstrated force projection resolve in advancing its claim in the Spratly Islands; China will play an important role in the cessation of hostilities in Cambodia, and, China-India talks are also an encouraging sign. China is a critical factor in political/military activity throughout Asia.

I believe that China will continue to look to the west for the technology and expertise it needs. As fundamental to our policy in Asia, the U.S. should continue a relationship with China that, on the one hand, offers clear mutual benefits for its continued peaceful development, and, on the other hand, encourages China to steer a course which promotes stability throughout the region.

INDIA

India continues to grow militarily as a major, non-aligned power in the region. India's military buildup in both defensive and offensive systems, mostly of Soviet origin, is impressive. While the Soviets continue as their major arms supplier, India is a democratic country with interest in a successful relationship with the West. There is a mutual benefit in more extensive and generally improved military-to-military relations between the U.S. and India. An improving relationship between India and the U.S. should not be a cause for concern among our other friends in the region. Because the U.S. Government recognizes the potential India holds for being a stabilizing force in the region, we are expanding our defense contacts with India to enhance prospects for mutual cooperation.

WHAT DO WE NEED?

As discussed in this statement, we have a dynamic peacetime strategy that maintains a security umbrella under which democracies can flourish, economies can prosper and human rights can improve. The key is sustained influence and access through multiple bilateral associations. A security assistance program with adequate funding levels and flexibility through reduced earmarking has the potential to accrue important dividends in relation to levels of expenditures. Similarly, cooperative programs, investments in combined exercises, along with humanitarian and civic assistance under title 10 have generated impressive political-military benefits. Continued congressional attention to these programs is essential.

Recapping our military deterrent posture, I believe our forces are ready and properly positioned to continue to discourage conflict. My overall priorities continue to be people programs, readiness, and sustainability. As we look to the future to modernize and keep pace with Soviet capabilities, my top budget priorities are (1) antisubmarine warfare—protection of our lines of communications is vital; (2) surveillance and intelligence—considering the vast size of our area of responsibility, it is essential that current command and control enhancements and early warning programs such as over-the-horizon radars remain on track. These programs provide us with the vital capability to assess intentions early and immediately begin to position forces; (3) air warfare—improved long range intercept with modern threat munition capability is necessary to ensure victory. We must protect our buys of preferred munitions, at least until we meet the basic requirements; (4) strategic lift—carrying the fight to the enemy on our terms cannot be accomplished satisfactorily without attention to this area. Without mobility that is ready and timely in its execution, I cannot reinforce nor resupply. Current programs such as the funding of the airlift/sealift operating account and the C-17 buy are essential; (5) and finally, sustainability—we must continue to increase stockage levels and thereby decrease the risk of defeat from a protracted conflict. Your support of these important ongoing programs throughout the budget process will ensure an adequate, well postured, deterrent force.

While I am heartened by the present excellent state of readiness in the Pacific Command, I recognize the task of maintaining it at its present level will be a difficult one. For example, with internal adjustments the FY 89 budget has provided us with the minimum funding to maintain our status quo in readiness. I expect some continued belt tightening to be necessary, but we can only go so far. Our preparedness, expressed as readiness, is really made up of three basic parts: the quality people who are the foundation, the equipment with which they work, and the facilities that house them. We are doing well in the first two categories, however, real property maintenance is falling behind. Highly motivated people need, among other things, adequate pay, challenging work, state-of-the-art equipment, and modern, safe, properly maintained facilities in which to work. The result is high morale and quality work. We must take care not to defer maintenance of our facilities to the extent that serious, long term problems develop.

On the positive side, however, we are benefiting from integration of modern, easier-to-maintain equipment into our forces. Air Force fighter squadrons have completed conversion to the F-16 C and D fighting Falcon, while Marine Corps aviation units are progressing rapidly in their conversion to the F/A-18 Hornet. Growing numbers of Aegis ships are joining the Pacific Fleet and within the past year we forward deployed our first Aegis cruiser to Yokosuka, Japan. Our amphibious capability has been bolstered by the introduction of nine LCAC's, now making their fourth extended deployment, and the USS *Midway's* modernization allows it to handle F/A-18's. We are also on track with modernizing our Army infantry divisions to the Army of excellence configurations. On balance, the readiness picture is excellent, but there are some trends I see that are cause for concern. Future readiness may be reduced by actions already taken to stretch out ship overhauls and depot level aircraft maintenance, to limit funds for exercises and training fuel, to stretch procurement of ordnance, including training munitions, and to put off maintenance of military base infrastructure in order to fund our more visible operations accounts.

The need for constant vigilance in maintaining our security posture requires a force that is well-trained and well-equipped. Our national interests will be better served if we insist on protecting our readiness. It has taken a great deal of diligence and effort on the part of many to achieve the readiness we now enjoy Protecting that achievement is a goal I endorse.

CONCLUSION

In support of our peacetime and wartime strategies we have the finest force of soldiers, sailors, airmen and marines that I have ever seen in my 37 years of military service. Thanks in large measure to the support of this subcommittee, Pacific Command military forces are equipped, trained, and motivated to respond to any threat. The men and women in the Pacific Command are maintaining the high levels of readiness we've come to expect in the last few years. The dedication and skill that our people are demonstrating on a daily basis are impressive. Our ability to equip properly and sustain our forces in wartime is increasing incrementally as modern weapon systems and munitions come on line. I am proud of the military forces within the U.S. Pacific Command. We owe them our full support, especially in the area of pay incentives and quality of life programs that are so necessary to retain our most valuable resource.

The state of the U.S. military in the Pacific is the best I've ever seen. The forces we have can do the job and give the Soviets pause to consider. With your continued support, we can deter and if necessary defeat them in the Pacific theater. Although we are spread thin with only 20 percent of U.S. forces dedicated to providing security and stability for over 50 percent of the earth's surface, our forward basing strategy has deterred Soviet expansion and aggression. Moreover, it has maintained an environment that has stimulated economic growth and stability throughout the Pacific. The administration, the U.S. Congress, and the American people can be proud of these accomplishments. I am convinced we need to continue a forward basing strategy and augment our peacetime and alliance strengthening efforts so that we can maintain our leadership role in the Pacific.

BURDENSHARING

Admiral Hardisty, as you know, we are concerned about burdensharing in this committee, and it seems to me that the first question has to do with South Korea. Now, South Korea has a population twice that of North Korea, has a GNP seven times as much. Its defense spending, according to our figures, is $7 billion, South Korea, as opposed to $4.4 billion in North Korea.

To be sure, the active personnel in North Korea are larger than that in South Korea. But qualitatively, I understand we are better in South Korea.

Now, it seems to me the last time we considered bringing any troops home from South Korea was during the Carter administration, which was well before perestroika and glasnost, and at least you could make a plausible argument at that time that the PRC and the Soviet Union might be interested in reinforcing or being part of an invasion of South Korea. Back in those days, it was not likely.

But my first question is, isn't the likelihood of the Soviets wanting the North Koreans to invade South Korea, is that not sort of out of the question now?

Admiral HARDISTY. I would say in my personal opinion that the Soviet Union would not openly support that. I think, given where we find the Soviet Union today, with the restructuring of their economy and with their priorities, I would say both North Korea and Vietnam are troublesome for the Soviets, sir.

Senator JOHNSTON. And is not the same thing true of the PRC?

Admiral HARDISTY. I would say the same. They are modernizing their nation. They are looking inward. Of the four modernizations, defense is No. 4 in priority. So a lessening of tensions meets China's needs for modernization over the next decade.

SOUTH KOREAN STRENGTH

Senator Johnston. What is the function of our 44,000 troops in South Korea, given the huge strength of the economy of South Korea?

Admiral Hardisty. Well, their function, No. 1, is to provide the standards on interoperability with the Republic of Korea armed forces. They meet a treaty commitment and they meet a real warfighting commitment in the Combined Forces Command strategy.

Air power is also key. Mr. Chairman, our intelligence and warning associated with our presence there is also key in the military balance and in the parity of the equation.

It is true that North Korea has more troops than South Korea and more armor and things of this nature. But we have a very credible deterrent force there. In my judgment we have one, and I think General Menetrey would support this later when he testifies, one that is very capable of defending the peninsula.

The ROK's do not have parity and will not have parity on their own for some time. But as we look at that changing equation, we will certainly be looking at what we could do with future force adjustments as the ROK's take on more responsibility.

QUALITY OF FORCES

Senator Johnston. Well, as I look here at air force, there is not a huge disparity in the number of air force. How about the quality between South and North?

Admiral Hardisty. Well, our quality is much better. Our pilots are better trained than the North Korean pilots. But they have their aircraft in hardened facilities and, unless they get in the air and engage us in air combat, they are going to be awfully hard to attrite.

REINFORCE SOUTH KOREA

Senator Johnston. Now, we could reinforce, as far as air is concerned, very quickly without having a huge amount of personnel in South Korea, could we not?

Admiral Hardisty. Yes, sir; we could. In fact, some of the plans call for my reinforcing Korea with air. But if I am busy somewhere else, I am unable to reinforce Korea with air. So that is something that would just have to be very scenario-dependent. We could be engaged in some contingency or crisis off the peninsula at the same time we had a crisis on the peninsula. My forces and numbers are such that I may not be able to reinforce them as quickly as I would desire to.

Senator Johnston. I mean, it seems to me that the scenario for an invasion of South Korea would be that Kim Il Sung or his son would be in some state of paranoia or mental unrest and would not be supported by the PRC or the Soviet Union.

And it would be pretty hard—let us say all the American forces are gone. It would be pretty hard for them to pull off a successful invasion and to completely subjugate South Korea before we had time to reinforce with air or with ground troops; is that not true?

Admiral **Hardisty**. Dependent upon where they were, I could send the marines from Okinawa into Korea under the peninsula-only scenario.

I could reinforce with air. I could reinforce rapidly as long as the air is forward-deployed. If the air was not forward-deployed, with tanking we could still get the air there. We could reinforce, that is very true, Senator.

TROOP SCENARIOS

Senator **Johnston**. There are maxims about the number of troops you have to have to invade or to attack as opposed to defending. Generally, it is conceded that you need more troops to carry off a successful attack than to defend; is that not correct?

Admiral **Hardisty**. I think that is generally conceded. But given the numbers of ground forces involved in the Korea conflict and given the geography of the situation, with only three approach corridors, it is going to be a bloodbath under almost any situation.

Actually the best defense in Korea is to [deleted].

TROOP WITHDRAWAL

Senator **Johnston**. One final question on this question of Korea. If we must make some savings in Korea by bringing home troops, are you studying how that might be done?

Admiral **Hardisty**. Yes, sir. General Menetrey has studied how that might be done. We have been looking at that for some time and we will have a plan.

We are looking at it long range, Mr. Chairman. We would not recommend that we withdraw troops from Korea at this time. We think it is a fluid situation. There is a new administration going through a fragile process, but one that we fully support and one that we would like to see come to fruition.

I think reductions in Korea at this time would be premature. We are looking at a changing situation as well as the ROK's taking over more responsibility. As that evolves, we, of course, will be considering force adjustments.

TREATY COMMITMENT

Senator **Johnston**. Are you saying that the troops are there for domestic stability, as opposed to defense?

Admiral **Hardisty**. Not really. It is a commitment, sir, and it is a mutual security commitment. The deterrent security commitment fosters stability, regionally and internally.

Senator **Johnston**. I do not understand the phrase "security commitment." I mean, is that defense from invasion or is that domestic stability?

Admiral **Hardisty**. That is our treaty commitment with Korea.

Senator **Johnston**. Well, I mean, but it is defending against something or other. It is doing something, and is it domestic or is it an invasion threat?

Admiral **Hardisty**. No; it is not strictly domestic, Senator. Our presence there sends a signal, not a domestic signal, but sends a signal throughout all of Northeast Asia that we have a commitment to the security and to the nation-building with the Republic of Korea, which I think is of importance.

Senator **Johnston**. Well, it sends a signal that we have 44,000 troops there, no doubt. But why do we want that signal? Whom does it send a signal to, and a signal that says what?

Commitment? Sure. But I mean, against a noninvasion threat or against what?

Admiral **Hardisty**. Against an external invasion threat, Mr. Chairman.

Senator **Johnston**. But I do not mean to be argumentative, but as I mentioned in the last hearing, I think we are going to have to make some pretty good cuts across the board when we get down to real budgeteering this year. There are no new taxes and I think we have got about $40 billion to save somewhere.

We do not want to do it in a wrong way. But I mean, I have not figured out what these 44,000 troops are there for. I mean, there is not a real invasion threat. To the extent there is, we can rapidly reinforce. I mean, if there was a real invasion threat we would not have M-60 tanks there; we would have our M-1's, would we not? Do we not have the M-60's?

Admiral **Hardisty**. That is right, we do, yes, sir.

Senator **Johnston**. Well, I have taken more than my time. Thank you very much, General.

Senator **Stevens**.

Senator **Stevens**. Thank you, Mr. Chairman. I am pleased to see Admiral Hardisty here and his advisor, Al Lynn, who also was with Admiral Hays, who preceded you, Admiral.

I think I should tell the gentlemen of the committee you and I had dinner last Saturday night in Anchorage when you came to the salute for the Armed Forces in the Anchorage area.

Senator **McClure**. You should confess that.

Senator **Stevens**. And we confess that.

MILITARY COMMAND IN ALASKA

We have had a series of meetings now going on over a year or more concerning the Pacific Command and its relationship to the structure of the military command in Alaska. The Admiral and I have reached an understanding. I will seek an amendment to the existing law to remove the prohibition against the restructuring of the Alaska Command. The Alaska Command will now become a sub-unified command integrated into the Pacific Command structure, if Congress agrees.

That is your agreement, is it not, Admiral? You are prepared to do that?

Admiral **Hardisty**. That is correct, Senator Stevens. The Joint Chiefs of Staff have approved that. The Secretary of Defense will be submitting that to the White House. That is a unified command proposal change that takes Presidential approval. We do not anticipate any problem with that. We think the arrangement makes excellent military sense.

You and I certainly have had long discussions on that, and I could not agree more. It puts one single commander in charge of the air defense and land defense of Alaska and the Aleutians. It streamlines the command relationships. It removes a couple of layers.

Alaska is part of the Pacific. Certainly the Aleutians and Alaska are part of the Pacific rim. I think it makes good strategic sense, sir.

DEFENSE OF THE ALEUTIANS

Senator **STEVENS**. And as Alaska becomes a subunified command under your command, the responsibility for the defense of the Aleutians will be returned to the subunified commander in Alaska; is that not correct?

Admiral **HARDISTY**. That is correct; yes, sir.

Senator **STEVENS**. Back in the days of President Nixon's administration, the defense of the Aleutians was transferred to the Pacific Command and the supervision of the naval installations on the Aleutians was transferred to the Pacific Command.

It is my understanding that the unified commander will be in charge of the defense of Alaska and responsible to you for the role that the forces in Alaska will play in terms of any action that might be necessary to defend U.S. interests in the Pacific or elsewhere in the world. They will be subject to your command totally; is that correct?

Admiral **HARDISTY**. That is correct, sir.

Senator **STEVENS**. But that will be under the subunified commander?

Admiral **HARDISTY**. Under the subunified commander; yes, sir.

SUBUNIFIED COMMAND

Senator **STEVENS**. Who will be, as I understand it, the senior military officer in Alaska at the time. At this time it is General McInerney who is the commander of the Alaskan Air Command.

We also have now the Sixth Light Infantry Division in Alaska, and there is also an admiral in charge of the Coast Guard. And I believe you have some officers in charge of the Adak Naval Station. But there is no admiral down there now, is there?

Admiral **HARDISTY**. No, sir; just the commanding officer who is a Navy captain, sir.

Senator **STEVENS**. I want to thank you on behalf of the people of Alaska for your willingness to work with us to restore some integrity to the overall command plans with regard to Alaska.

In the years since the independent command, that is the Alaska Command, was disestablished, we have seen the Air Force responsible to one portion of the military, the Army responsible to another, and the Navy responsible to the Pacific Command. And it did not seem that there was any basis for real coordination.

And I must say that General Brown, who was in charge of the Air Force in Alaska for a while, made an in-depth study of the plans for the Joint Task Force in the event of emergency and concluded that that Joint Task Force was doomed to failure because of the conflicting lines of command that would be existent just prior to the declaration of any emergency.

So it is, I think, a tremendous thing for us to find a way finally to resolve this. Now, once it is resolved you then would have command over all of the forces that will be the military forces in Alaska?

Admiral HARDISTY. That is correct, sir.

ALASKAN FACILITIES UTILIZATION

Senator STEVENS. And we have no commitments as to your use of the facilities. I do not want to imply that in any way. But those facilities in Alaska, which Alaska represents one-fifth the size of the whole United States, gives you a tremendous land mass for the purpose of exercising and training.

Some of your people today have very limited land available. I hope that we do see a better utilization of the military facilities in Alaska. I am not indicating at all, as I said, that we even expect that there will be an increment to the military forces in Alaska as a result of this decision.

But I think there will be better utilization of the facilities and the land that has been set aside for the military as a result of this decision and coordinating the total responsibility for the defense of Alaska and the use of military assets in Alaska in you and your successors.

Again, Mr. Chairman, I do not think any of you would realize how many visits this has entailed from Alaska to Hawaii. Very tough duty, Admiral, you understand, to go down there and join you and Al for an evening.

But I would be willing to bet no one here realizes that to go from Anchorage to Honolulu you go due south, and from Adak to Honolulu you go almost due east. We are 2,200 miles west of you when we were in Adak. The distance that Alaska stretches out into the Pacific, and that is what makes it relevant to your total command——

Admiral HARDISTY. It certainly does, and to any strategy in Northeast Asia. The Aleutians point like a dagger, if you will, at the Kamchatka Peninsula. My No. 1 priority is the defense of the United States, so that is why Alaska is very, very important.

Alaska is also important strategically, not only from a defensive, but from an offensive posture in the event you were in conflict.

So the things that you said, Senator, certainly are true. Alaska has outstanding training facilities. As you know, we are beginning to use them more and have in the last couple of years, particularly our Pacific naval forces. There is great growth potential there, and a lot of real estate and fine facilities. All of the things you said about their utilization certainly would be true from my point of view, sir.

Senator STEVENS. I thank you for that.

My colleague thinks we have bad weather. We have very stable weather.

Admiral HARDISTY. It is either bad or good. [Laughter.]

Senator STEVENS. That's right; predictable, very predictable.

I really do think this is a decision that is in the best interest of the total defense structure of the country, or I am sure you would not have agreed to it, either. But it is my judgment that most people do not realize the overall strategic importance of the location of my State.

I try to give each new commander who comes to Alaska a copy of the novel, "The Thousand Mile War." Maybe I ought to give some to the members of this committee and let them see if they can understand it. The best thing to do would be to try to get them to come up to Adak in the Aleutians.

Senator **McClure**. I have been there.

Senator **Stevens**. I think there is one that has been there.

Senator **Johnston**. Are you not going to ask him about the surface effect ships [SES]?

Senator **Stevens**. No; I have not really discussed that with the Admiral yet. He does not know what he is getting into.

The Senator from Louisiana and I have a desire to try and see if we cannot get to Alaska some vehicles that would be capable of offsetting the Pomornik, the Soviet air cushion vehicle that is operating in the Arctic. We will discuss that some other time.

Admiral, I appreciate your courtesy and thank you again for coming to my State.

Mr. Chairman, I have an organizational meeting of the Government Affairs Committee and I have to leave. I thank you very much.

Admiral **Hardisty**. Thank you, Senator Stevens.

Senator **Johnston**. Senator Specter.

Senator **Specter**. Thank you, Mr. Chairman.

Before Senator Stevens goes, I want to compliment him for at least acquainting the Senators with the geographical proportions of Alaska, its importance, the fact that it is the farther westernmost State, perhaps the farther easternmost State, certainly the farther northernmost State.

He does a great job in educating the Senate, if not the world, on Alaska.

Senator **Stevens**. Thank you, Senator. Thank you very much.

SOVIET THREAT

Senator **Specter**. Admiral, I would like to pursue with you for a few moments the subject of the Soviet threat, and I note the prominence with which that appears in your statement and I agree with you that it is a very big factor to be evaluated as we look for potential budget cuts to try to have some understanding as to what changes, if any, are coming about as a result of what General Secretary Gorbachev says.

You note in one part of your statement that the Pacific fleet, referring to the Soviets, continues to increase in size and capabilities. And then you comment that their long-range bomber force armed with cruise missiles and their submarine force continue to improve in quantity and quality.

And you note Gorbachev's most recent announcements and say that they do not alter your view yet. And you note that the threat of the Soviet forces is the same or greater even if all the current initiatives are fully carried out.

And my question to you is, what initiatives are you referring to specifically or do you anticipate that the Soviets will carry out?

Admiral **Hardisty**. Well, in the Far East theaters of military operations [TVD], which I am concerned with the force reductions. It has been announced that 200,000 of the 500,000 troop reductions will come in the Far East TVD. Those troop reductions, though, as I see it, are on the Sino-Soviet border.

He said those troops would be disbanded. We have not seen that happen.

The threat is their power projection capability. The threat in Northeast Asia is not a ground force threat, like an invasion of Japan or something like that, although the Soviets have that capability. The threat is really a Soviet naval threat and a Soviet air threat.

I am saying, Senator, that we have not seen any reductions in their capability yet. I can answer for the record about the quantitative improvements. I do not want to do that in open session. Mr. Gorbachev's figures disagree with our figures in that area. Admiral Chenarvin's figures, who is the Soviet CNO, also disagree with our figures on that. I base my figures on our intelligence sources, and I can provide those for the record.

[The information follows:]

Admiral Chernavin claimed in his 7 December "Red Star" article "Problems of the Pacific: Restraint Must Be Mutual" that the Soviet Pacific Fleet has been reduced by 57. The SOVPACFLT order of battle has in fact seen substantial qualitative improvements over the past few years. Chernavin shows a definite Soviet slant in his claims of reducing the Soviet Pacific Fleet Naval Order of Battle and probably used very selective statistical data.

Chernavin cited U.S. officials as saying the Soviet Pacific Fleet has increased by 40 ships between 1984 and 1988. This may have been reference to an unclassified speech made last year by former Secretary of Defense Carlucci. Chernavin claims that during 1984–88 the Soviet Pacific Fleet had in fact decreased by 57 ships and submarines.

[Deleted.]

Admiral **Hardisty**. I was referring mainly to the reduction of ground troops. That is not really the threat as I see it in the Pacific. There is some talk of naval reductions that I would support. I support lessening of tensions.

I am just saying it is too early to tell. The threat has not changed from my view as yet, sir.

Senator **Specter**. Well, Admiral, I for one would appreciate the materials you refer to on a confidential basis or in closed session.

Admiral **Hardisty**. Sure.

SOVIET NAVAL FORCE REDUCTIONS

Senator **Specter**. You refer to some talk about reduction in naval forces. Can you be a little more specific?

Admiral **Hardisty**. There has been one public mention that the Soviets intend to include some naval force reductions. On the other hand, we have seen many proposals concerning naval force reductions at the conference table as part of the conventional arms negotiations. They have stated that frequently.

Senator SPECTER. But there has been nothing more specific than that?

Admiral HARDISTY. Nothing more specific, sir, that I know of.

Senator SPECTER. And what is the situation with respect to potential air reductions? Any at all?

Admiral HARDISTY. None announced, none announced at all. In fact, some of the redeployed forces out of Afghanistan ended up in the Pacific theater. Again I can provide more information for the record.

[The information follows:]

[Deleted.]

Senator SPECTER. And your conclusion is that, although you cannot get into details here, that there have been increases in the strength of the Soviets" forces in your area?

Admiral HARDISTY. Yes; naval forces increases. The qualitative increase is really the important thing, but there has been a quantitative one as well. That is opposed to what the Soviets are saying that they have actually reduced the size of their forces.

Our intelligence and my statistics do not corroborate that statement, Senator.

Senator SPECTER. And you put that in a timeframe since 1986?

Admiral HARDISTY. That is correct. That is based on Secretary General Gorbachev's Vladivostok speech where he talked about the Soviets as a Pacific power. He also talked about lessening of tensions and a proposal not to introduce additional nuclear weapons into the area.

Well, that just has not happened. In fact, quite the opposite has happened in several instances, which I could provide again for the record.

[The information follows:]

In General Secretary Gorbachev's Krasnoyarsk speech, he stated "Aware of their Asian and Pacific countries' concern, the Soviet Union will not be increasing, as indeed has been the case for some time now, the number of any type of nuclear weapons in the region, and calls on the United States and the other nuclear powers not to site any more there."

Senator SPECTER. All right. Thank you, Admiral.

Mr. Chairman, I think my 5 minutes is up. I will have to go to the Judiciary Committee. I will return if I can.

Senator JOHNSTON. Senator Cochran.

Senator COCHRAN. Thank you very much, Mr. Chairman.

Admiral Hardisty, welcome to the committee.

Admiral HARDISTY. Thank you, sir.

BASING RIGHTS

Senator COCHRAN. It is a pleasure to see you again. The last time I saw you we were getting a briefing from you, preparing to visit the Philippines and other points in the Pacific rim. And I can report to you that that was a very interesting trip and for me quite worthwhile.

Senator Lugar and I had an opportunity to talk with a number of government officials and military leaders and others in the Philippines about the bases issues. And I want to concur with the cautious optimism that you described in your prepared remarks for our committee about the likelihood of our being able to negotiate an agreement so that our bases can remain in the Philippines.

I think we would see a great deal of instability result from a withdrawal from those positions and that other countries beside the Philippines would be very disturbed over the lack of the U.S. presence as it is now constituted in that part of the world.

I came away with a feeling that it is hoped that we will remain engaged in helping to provide stability for that region of the world.

You pointed out the importance of it in terms of trade. There is no question but our economic wellbeing, our strength as a nation, rests on our ability to continue to enjoy a healthy trade relationship with that part of the world. And I think our military power and our ability and willingness to provide stability are tied very closely to our economic wellbeing.

I think also that as a result of that visit I have come to appreciate, as you have pointed out in your remarks, that not only to counter the Soviet threat, but also to serve as not necessarily a peacekeeper among other factions, but at least indicating a willingness to help provide a means of dialogue and encouragement to the settlement of regional differences, is an important role for us to play there.

We had a chance to visit the refugee camps up on the Cambodian and Thai border, as an example, and that is a very graphic reminder of the difficulties, both in economic and in human terms, that many of the people in the region are facing because of disagreements in the region that exist now. The hope that we can help bring to a resolution those difficulties and differences I think is a very important role to play, too.

Our military, while we are not engaged in any activity as such, just being there provides an opportunity for resolution of those difficulties.

In view of all of that, I wonder whether or not in looking at the budget numbers you have any special concerns about the changes that might be required in our presence, in the quality of our military force or quantity, and where you think this committee need to pay close attention to try to help ensure that we have flexibility in that region, to continue to provide stability.

Are we threatened by the budget request in any way? What do you foresee the implications being in this proposed budget?

Admiral **Hardisty**. As you know, the current President's budget is under revision, Senator Cochran. We have been looking at the total command and making changes. The drawdown in the Middle East with many Pacific Fleet and the Pacific Forces provided an opportunity to have more presence in the southern Pacific, more presence in the area you're talking about, with the same number of forces that I currently have.

One of the key things to my security posture is, of course, rapid, flexible forces. The naval forces are very key to that, as well as the air forces.

Our posture in the Philippines and the one that you spoke about that the ASEAN nations so strongly support is more of a naval, Marine Corps, sea power presence than one of ground troops. Northeast Asia, we have discussed, and that is a little different situation.

We are going to have to tighten our belt a little bit. I think we should stick with our fundamental strategy with forces forward deployed for flexibility, for rapid reaction, for presence and also their ability to influence significant factors, whether it be in nation building or settling regional conflicts. Under what I see in the new budget, we can maintain a capability to do that, sir.

SEALIFT/AIRLIFT

Senator **Cochran**. I thought it was interesting earlier this week when Gen, John Galvin said that his No. 1 priority from his point of view was sealift in his area of interest. And I assume that, given the geography and the distances that we see in the Pacific, that you would place a high priority on that capability as well.

Admiral **Hardisty**. I do place a high priority on that capability. I am fortunate in the way that my forces are positioned, for my current war plans I have sufficient lift.

But I do not have sufficient lift for a continuing scenario of global conflict or sustained conflict. If we had conflict on the Korean Peninsula, after a certain amount of time that reinforcement is going to depend upon sealift that I would not have.

There is still a shortage of sealift. That shortage is not as fundamental to my strategy as it is to General Galvin's, because of the necessary resupply of Europe. And, of course, 90 percent of that has got to go by sealift.

Senator **Cochran**. Thank you very much, Mr. Chairman.

Senator **Johnston**. Senator Bumpers.

Senator **Bumpers**. Admiral, I got here a little late. I just have two or three questions.

JAPANESE DEFENSE SPENDING

Are the Japanese spending 1 percent of their GNP on defense?

Admiral **Hardisty**. Yes, sir; just slightly over 1 percent of their GNP, which has represented for the last 10 years a real growth of over 5 percent per year in their defense budget, Senator.

AIRLIFT/SEALIFT

Senator **Bumpers**. Admiral, let me touch on what Senator Cochran said. I could not agree with him more on sealift. But even when I was on the Armed Services Committee 10, 12 years ago, we were talking about sealift capability and we never could find any requests for it.

I thought it was important. Everybody would come over and testify for it. But nobody would really put it in the budget and ask for it.

Now, I want to be helpful on that because I agree with you and I agree with General Galvin, who testified before this subcommittee earlier this week on that point. Are you prepared to tell us precisely what you want?

Admiral **Hardisty**. I would be prepared. My integrated priority list which is submitted to the Secretary of Defense does include sealift as a high priority, one of my top five priorities. I think it is the same with General Galvin.

We do not have a national sealift policy. I think the new administration has got that under review right now, and certainly a national sealift policy is long overdue, Senator Bumpers.

Senator BUMPERS. Well, what always happens is we get into this blue plate special, you know, and then everything else gets shunted aside. I guess you could call it a gold plate special.

And the things that I think are really important, like sealift, suddenly get shunted aside. I am pleased to hear you and General Galvin both talking about that.

Staff tells me that there is a $230 million request for sealift.

Senator JOHNSTON. $3 billion for the C-17.

Senator BUMPERS. $3 billion for the C-17, and I am a proponent of the C-17. I think we need that airplane.

But what do we get for $230 million in sealift?

Admiral HARDISTY. We are not going to get a lot. We will be able to convert some of our cargo ships to the lift requirements with the modular deployment system. And also with the SEASHED system, it will allow us to use more of the lift that we are currently unable to use because of the configuration of the ships.

That $230 million, I am not familiar with how much new construction is there, but I would daresay there is very limited new construction.

I think it has been a matter of priority, Senator. The Navy put between $6 and $7 billion into sealift some few years back, and then the Navy said, well, I cannot pay the bill to bail out our national transportation system, our merchant marine, and so forth.

I think again it is a matter of priorities and balance. We have certainly got to meet our military requirements, but we need a national policy. It is not just a defense issue. I think it is a national issue that goes across the board, and I think that is what a national policy will address.

But we certainly appreciate your support for the sealift, because I think it is very important.

Senator BUMPERS. Well, I think $230 million will buy one ship. And the figure you mentioned a moment ago, I think we wound up getting eight ships designed solely for sealift capability. As far as I know, that is about what we have right now. I do not think we have added any of the fast——

Admiral HARDISTY. No; we have not added any fast sealift ships since those eight, Senator. That is correct, sir.

Senator BUMPERS. Well, I know we were talking about those fast sealift ships, roll-on, roll-off, and everything, when I was on the Armed Services many years ago. And as far as I know, we are still talking about it.

SOVIET AID TO NORTH KOREA

Admiral, let me ask you, how much aid is the Soviet Union, military aid, is the Soviet Union supplying North Korea on an annual basis?

Admiral HARDISTY. I do not have that figure, a monetary figure on that, Senator. But that is again one of the concerns. They have provided new advanced fighter aircraft to the North Koreans. They provided self-propelled field artillery to the North Koreans. They have provided tanks to the North Koreans.

So despite the Soviets probably not publicly supporting an invasion there is a dichotomy there in that they are providing very modernized new equipment. We have good intelligence that they have done that.

Senator **Bumpers**. Do we have sufficient intelligence that we will be able to determine whether any of these tanks and artillery and so on that Gorbachev is talking about dismantling, and some aircraft, will go to North Korea? Will we know that?

Admiral **Hardisty**. I think we would know that; yes, sir. We would have to assume if that happened, that rather than dismantled, they would be supplied to third world countries or to Soviet friends or allies.

Senator **Bumpers**. Just as an observation, Admiral, I take great comfort in the fact that Gorbachev—you know, we have been waiting for 70 years for the old Bolsheviks to die off, and I do think that we have a new kind of leader. There is not much question about that.

He is not totally at liberty to do just what he wants to do, as you and I both know. The Politburo will have considerable say over that.

But the Soviet mentality, the reason they have 50,000 tanks is because they never throw one away. I cannot imagine them actually destroying 10,000 tanks or 8,500 pieces of artillery and so on.

And I think that we ought to monitor that very closely, because I would really be disappointed if the Soviets simply give that weaponry to even the Sandinistas or the North Vietnamese or any of their other client states. And I am hoping we do not see that.

But certainly we expect you all to do your very best to monitor that and report to us, so we will know just how good the intentions are.

SUBIC BAY AND CLARKE AFB

And finally, let me ask you about Subic Bay and Clarke Air Force Base, and where do we stand with the Filipinos on those two bases?

Admiral **Hardisty**. Well, as Senator Cochran said, and quoting me——

Senator **Bumpers**. If you have already covered that——

Admiral **Hardisty**. No; that is all right, sir. No; I do not think we have really covered that.

I am cautiously optimistic about our ability to stay at the U.S. facilities in the future. We have reached a good agreement for the next 2 years. It is quite a big compensation package, but it is not much larger a package than we have been providing the Philippines under the best efforts pledge of the President.

For the past 5 years we have been providing $180 million a year in military assistance, also economic assistance and the other things. When you add all that up, we provided millions of dollars to the Philippines last year.

The new agreement is for $481 million, with $50 million of that as a loan. I think the compensation package is about maxed out.

The key to our continuance on the Philippines depends a lot on the Philippine economic situation and how we can contribute to that. Our presence there represents almost $500 million a year in hard cash, which is in great shortage in the Philippines.

Senator **Bumpers**. Aside from what we pay them for the lease?

Admiral **Hardisty**. That is correct. That is just the money that we spend by virtue of having the U.S. military presence there. That is over 5 percent of the Philippine gross national product, so it is rather significant.

The facilities and our presence there allows the Philippines to look inward at the insurgency, which is a threat to them. We have a mutual treaty agreement that provides for the external threat. Our presence also allows for the democratic process that is ongoing in the Philippines, to continue.

We all favor a democratic government in the Philippines. We do not want a communist government there.

I am optimistic that our interests lie in being in the Philippines. It is also in the Philippine interest that we remain. We have had a long association historically. It is one of the key strategic spots in the Pacific, sitting astride the South China Sea with the three straits in Malacca, Lombok, and Sundra. Some 80 percent of the raw materials and 50 percent of the oil comes through those three straits.

We have plans for alternate locations to the Philippine facilities and those could be executed. It would be expensive and not be in the same strategic position as I would be in the Philippines. I can certainly do the mission from elsewhere.

I think it is in our national interest to remain in the Philippines.

Senator **Bumpers**. The Philippines are more stable now than they were a year ago, I think. My concern is it is still a volatile situation. I do not think Cory Aquino is solidly entrenched there and things could go awry very quickly.

Why would it not be prudent, in light of those political realities, Admiral, for us to be possibly moving some of our forces toward say, to Guam or some other place in the Pacific, where we do not lose a considerable amount of your capability as a commander in the Pacific in case we just sort of get summarily thrown out some night?

Admiral **Hardisty**. Well, certainly our alternate plans do include Guam and that area, particularly since it is U.S. territory. We would not have the instability that might occur in the Philippines.

Ms. Aquino's first 1,000 days have been a real success story, and, of course, we all hope the next 1,000 go as well.

I think withdrawing forces now just puts them further backward rather than forward, Senator. It would be more costly for me to meet my commitments if they were in Guam rather than the Philippines.

We are doing the planning for alternative locations. I think we should wait and see how the 1991 renegotiation turns out. I am optimistic.

If we can provide a multinational aid package to the Philippines, turn the economy around, that is the key at getting at the insurgency. They may not win a military victory because it is a guerrilla action. You have to find something else that will appeal to the people who are signing up with the New People's Army.

Over 50 percent of the people are living in the poverty level in the Philippines. That has got to turn around and that will help beat the insurgency.

I think the Multinational Debt Relief Program can turn the economy around. It grew 6 percent last year and it is forecast to grow 6.5 percent this year. So I think those are good signals and will be very helpful when renegotiating the military bases agreement.

TREATY AGREEMENT WITH NEW ZEALAND

Senator **Bumpers**. How about New Zealand? How has the abrogation of our treaty agreement with New Zealand affected you, or has it?

Admiral **Hardisty**. Australia has picked up the load, so to speak, with New Zealand to include exercising with them. We miss our military-to-military contacts with New Zealand. They were a good ally. They are still a friend. You would not call them an ally now because our security arrangements are being held in abeyance.

I hope that will turn around some day if they change their law on the nuclear issue. They seem to be looking inward. New Zealand has interests in the Southern Pacific and she is exercising those interests in coordination with Australia.

Our bilateral relationship with Australia has never been stronger. As you know, we have just renegotiated our joint facilities there for another 10 years. With the changing strategic situation, our relationship with Australia will be more important than ever. Their Defense Minister also mentioned that publicly a couple months ago when I happened to be down there.

It is unfortunate that the situation with New Zealand is such as it is, but I do not see it changing until the government changes, Senator.

Senator **Bumpers**. Thank you, Admiral.

Thank you, Mr. Chairman.

BURDENSHARING BY JAPANESE

Senator **Johnston**. I might add that that $500 million and the additional amount we need for the Philippines would be a good place for the Japanese to share that burden. And I hope the burdensharing ambassador, when he is finally appointed as the law demands, will look into that.

Senator **McClure**.

Senator **McClure**. Mr. Chairman, thank you.

I was going to make exactly the same point. I cannot help but note that the United States is the guarantor of stability throughout the Pacific, much more so than we are in any other area of the world. And there are a great many people who depend upon that.

The Philippines benefit from that stability as much as they do from the economic input that we have into their economy because of our presence there.

I, for one, am getting awfully tired of everybody else in the world wanting to soak Uncle Sam while they reap the benefits of our presence. The Spanish threw us out of Spain at at least one of our bases and they got a great increase in pay for the remaining presence in Spain. The Turks were beginning to look and say, "Why are we crazy? We let you in here for free. Maybe we ought to charge you."

Senator JOHNSTON. If the Senator will yield, they also got termination pay for their employees, and we do not do that for our own when we pull out of a base.

Senator MCCLURE. It just seems to me that the United States is not really looking after our own interests nearly as well as they look after their own interests.

I was in Turkey at the time that that happened and they were talking, and I said: "Hey, wait a minute; I thought we were in Turkey because you wanted us to be here." I think some other countries have some responsibility for their own defense. And if we are providing the manpower and the materiel, I do not think it is above expectation to expect that they assist us on basing, rather than charging us for the basing.

And I am about ready to say to some of these people, "If you do not want to be defended, we will come home." I know when I said that to the Turks they stopped talking about it very quickly.

I think we need to say to NATO, as an example: "We are willing to provide some forces, but you have got to provide the bases." I am grateful that Italy stepped in when the Spanish reduced, for domestic reasons, their willingness to have us present there.

I agree with the chairman totally that our presence in the Philippines is absolutely vital to the Japanese, absolutely vital to them. They ought to be paying a portion of that burden.

If you want to stop worrying about Japanese automobiles and transistors and everything else that they flood into our markets, just have some instability in the Pacific that interrupts the flow of their raw materials to them and they are no longer competitors. They know that. Yet we pay the whole cost.

And then we start talking about replacing or paying additional to the Philippines. I have a great deal of respect for the people in the Philippines, but I do not have respect for the demand that Uncle Sam pay the total bill. The Philippines get great benefits from our presence there, both in economic terms and also in terms of defense.

I am not going to suggest, and it would be trite for me to suggest, that the economic presence of bases is of the same value to them as is the economic presence of bases in the United States. Congress has had to go through a base closing ritual to try to figure out a way to close bases we do not need in the United States, because everybody wants them. And yet, overseas we have got to pay for the privilege of being there.

To me that is just nonsense. I may be overstating it, deliberately so.

I also recognize the difficulty you would have and we would have if those bases closed down. You are making contingency plans, but contingency plans send ripples of fear throughout the Pacific. That has been true for a long while. Where are they going to be? Who is going to be impacted?

Some do not want them. Yes, we could put more into Guam, but we have not yet gotten over the fear, the instability that was created in Palau when General Walt many years ago went down through that territory and said, Babelthuap would be a great place for a marine base. We are not welcome there yet because of that comment, and I am a great admirer of General Walt.

To talk about alternatives is not that simple.

Admiral **Hardisty**. That is right, sir. Guam does not have the labor force that you have in the Philippines. Guam does not have the real estate available that you would have elsewhere.

So it is not a piece of cake. It is not just, we will pack up and move tomorrow. There are a lot of difficulties, as you were just stating, sir.

Senator **McClure**. A lot of difficulties, a lot of political difficulties, a lot of costs, a lot of logistic problems.

So I do want good relations with the Philippines. I do want those bases to stay there. I just hope they recognize they have a responsibility, too. I agree with the chairman; I think the Japanese do.

SOVIETS PERSPECTIVE OF U.S. NAVY

The Soviet military leadership is turning up the propaganda heat on the U.S. Navy. They say the Soviet Union feels particularly threatened by the U.S. Navy, and they are asking for reductions in U.S. naval strength.

Besides a feeling of pride, what is your response to these arguments?

Admiral **Hardisty**. Well, I think the reason the Soviets came to the table for INF, the reason that we are continuing negotiations in START and in other areas, is because we dealt from a position of strength. They have their problems, but we dealt from a position of strength, Senator.

Within NATO—NATO has maritime superiority over the Soviet Union. We do not have conventional superiority on the ground on the central front, or in many other areas. But the Soviets feel threatened by NATO maritime superiority. That is an asymmetry for them. They would like to get rid of that asymmetry.

They feel the same way about the Pacific. Even though the U.S. Pacific Fleet is not as large in numbers as the Soviet Pacific fleet, it is qualitatively much better and better trained and better operated. The Soviets know that. The Soviets cannot afford to operate their fleet because of their budget problems and economic problems.

So they are trying to get rid of an asymmetry. They would like to do that unilaterally, without giving a lot up in exchange. If we do have reductions, we need to get at the asymmetries at the conference table and not do it unilaterally, sir.

SEA-LAUNCHED CRUISE MISSILE

Senator **McClure**. The sea-launched cruise missile is one of the main points of disagreement in the START negotiations. Among the solutions being discussed are restrictions on the deployment of both nuclear and conventional SLCM's and a possible total ban on SLCM's, nuclear, conventional, or both.

Among the U.S. arms control lobby many are now saying that we would be better off without SLCM's because the Soviets will eventually develop sophisticated SLCM's that will pose a greater threat to us than ours do to them, or they are saying that the SLCM, especially a Stealthy SLCM, is a first strike weapon.

What would it do to your operational flexibility in the Pacific Fleet to ban either nuclear or conventional SLCM's?

Admiral HARDISTY. It certainly takes away a force multiplier. It is one of our keys in competitive strategy. We are far ahead of the Soviets in having this weapon system.

Undoubtedly, if they put the resources against it they will pick up in time and develop the capability, as you just stated. I do not see when they develop that capability that it poses any greater risk against us than we pose against them.

They are a land power, but they have sea approaches. That is where these weapons would be used and that would be the threat to the Soviet Union.

The SLCM has revolutionized naval warfare for surface ships. We are way ahead of the Soviet Union. I would not give up SLCM. I would not make SLCM part of a START agreement. That's a personal opinion.

It has been the position of the Joint Chiefs of Staff all along, Senator, if we are going to give up SLCM or limit its numbers, we have to get something very significant in return. The Soviets have not been willing to do that to date.

ROLE OF ASAT

Senator McCLURE. The fiscal year 1990 DOD budget request includes funding for R&D on both kinetic energy and directed energy antisatellite weapons. The Navy has been a strong supporter of development of an ASAT. Much of the discussion of this system has centered on the role of ASAT in destroying Soviet reconnaissance satellites used to target U.S. ships and convoys bringing reinforcements across the Atlantic in a European war.

How do you view the role of an ASAT for the Pacific theater?

Admiral HARDISTY. I think it is just as important to the Pacific. The Soviet reconnaissance satellites locate ships, and those ships are just as important to me in the Pacific as they would be to General Galvin in the Atlantic, although the reinforcement of Europe is a different role.

I depend a lot on the forward-deployed flexible naval and marine forces in the Pacific. We need an ASAT capability. The Soviets have one. I think it crucial as a deterrent factor that we have the same capability as the Soviets.

If they take our satellites out, they are going to take out our eyes and our ears. We must be able to do something about that problem.

Senator McCLURE. You went over one fact that I think needs to be reinforced. You went over it so quickly, some may not have heard it: We ought to be able to do as well as the Soviets do.

Admiral HARDISTY. Yes, sir.

Senator McCLURE. You are saying that they have an ASAT system?

Admiral HARDISTY. Yes, sir; they do.

Senator **JOHNSTON**. Their ASAT capability is low orbit?

Admiral **HARDISTY**. Low orbit; yes, sir, low orbit.

SEALIFT/AIRLIFT

Senator **MCCLURE**. Is it fair to make a comparison between the European theater—or a distinction between the European theater and the Pacific theater, that the sealift capability in the European theater is to support a large-scale land war, which may be different than the role of sealift in the Pacific?

Admiral **HARDISTY**. Yes, sir. Sealift in the Pacific gets me limited numbers of troops to different locations. I would have to fight sequentially. With a conflict in Northeast Asia, whether we be fighting on the peninsula or off the peninsula I could be moving marines. I have enough amphibious lift capability to move all my marines.

I depend more upon amphibious operations and rapid, flexible operations. In the initial reinforcement of the Korean Peninsula, I would be reinforcing with forces that I have in theater. I may not be bringing CONUS forces in initially. So there is a difference, sir.

Senator **MCCLURE**. And you have got greater distances to travel across the Pacific.

Admiral **HARDISTY**. That is correct; yes.

PRESENCE IN THE PERSIAN GULF

Senator **MCCLURE**. One final question. The U.S. naval presence in the Persian Gulf ranks as a major success, despite the unfortunate accidents and incidents that involved the *Stark* and the Iranian airliner. What were the main lessons learned from the Persian Gulf deployment?

Admiral **HARDISTY**. One major lesson learned was a lot about mine warfare. Some lessons had to be relearned. We had a mine warfare capability, but it was not a rapidly deployed one. We learned some lessons in mine warfare that will stand us in good stead in the future.

We certainly learned some interoperability lessons, in that all of our forces, armed services, were involved. It was not just a naval operation.

We earned good marks politically with our friends in the Middle East for what we did. It guaranteed the President's commitment to maintain the free flow of oil out of the Straits of Hormuz to the rest of the Free World.

We learned more about high tempo operations and adverse climatic conditions. In fact, the Soviet Vice Chief of Naval Operations said, "I do not see how your ships stand to be in the Persian Gulf; we have a tough time getting our sailors to volunteer for that job." Our ships are probably better air conditioned than theirs, but I thought that was an interesting comment.

Senator **MCCLURE**. Did we also learn that that is a difficult environment for naval units to operate?

Admiral **HARDISTY**. It is a difficult environment. You can operate out there and sometimes get 2 to 3 inches of mud buildup in a dust storm. Because it is a dust storm and you are on the water, mud is thrown on your antennas, all over your ship, the whole nine yards.

The Southwest monsoon weather is rough in the Persian Gulf.

Senator McClure. Well, some have pointed out that it would have been much easier to mount that kind of an operation, to ensure that operation's success, had we controlled the littoral areas. It is hard to do it just in a constrained area of that kind, hard to do it only with naval forces.

Admiral Hardisty. That is correct. Thinking about the littoral areas, we did have our battleship battle group there, so we were inside and outside the Straits of Hormuz.

The job would have been easier if we had had control of the land geography and were not depending upon allies and friends. And certainly it would have been.

Senator McClure. Thank you, and thank you, Mr. Chairman.

Senator Johnston. Senator Harkin.

Senator Harkin. Thank you, Mr. Chairman.

ASAT

Admiral, I want to follow up on a question that Senator McClure asked. It is not specifically in the area of the Pacific. It is more of a policy question overall, covering the Navy's entire global responsibilities.

I noticed that you listed surveillance and intelligence as your No. 2 priority, but antisatellite weapons, ASAT's, did not make your top five list. Is it not true that we depend on satellites for much of our surveillance and intelligence?

Admiral Hardisty. Oh, yes, absolutely, yes, sir. ASAT will be on my new integrated priority list. I actually had it in my remarks but did not say anything about it.

It is not in CINCPAC's current IPL because that was submitted last year, Senator. But that will be revised.

Senator Harkin. But you will agree that we do rely very heavily——

Admiral Hardisty. Very heavily. Those are our eyes and ears. Even though the Soviet threat is against low orbit, taking out our low-orbit satellites would be very crippling.

Senator Harkin. Would not the development of a U.S. ASAT system spur the Soviets to develop a more effective ASAT capability of their own, thereby undermining your own priority of improving surveillance and intelligence?

Do I need to repeat that?

Admiral Hardisty. No; you do not need to repeat that. There is no doubt if we develop a capability better than theirs, they are going to try for the same capability. I would rather have the capability to do something than nothing, Senator. I think it is a relative matter. I think we do need the capability regardless of what that would cause the Soviets to do.

Senator Harkin. But again, since we rely so heavily on our satellites and since the present situation with regard to ASAT's—you mentioned that the Soviets have an ASAT capability, but that ASAT capability is very limited. As I understand, they have not tested it in over 6 years.

It is a coorbital type of ASAT. It takes, as I understand, over 90 minutes to even kill a satellite, which gives us an hour and a half warning time. So it is not an instantaneous kind of an ASAT weapon.

It is not that effective. Yet, if we rush ahead to develop an ASAT system of our own, to repeat my question for emphasis sake, it seems that that would spur the Soviets to go ahead and further develop their ASAT system, which puts our satellites at a greater risk.

And since we rely on our satellites for surveillance and intelligence to a much greater degree, I wonder if, in fact, by developing this ASAT capability we do not, in fact, put ourselves down the road at a greater disadvantage than what we are right now.

Admiral **Hardisty**. That would be judging intentions, Senator. I do not know what the Soviets' intentions would be. Certainly if we develop an ASAT it could spur them on. They are liable to do that anyhow.

That is the unknown and what I do not know. That is where we look at intentions versus the capabilities. They depend as much on space as we do. We do not depend on it any more than they do. I think you would find that they depend a lot on satellite communications, et cetera, just as much as we depend on it.

I do not think the balance is so total, that our dependence is more than the Soviets. I think it is more of a balance, where we both depend on it, Senator Harkin.

Senator **Harkin**. Well, accepting that as factual, then that does tend to lead toward stability. And introducing a new element, such as an instantaneous ASAT capability, might tend to upset that stability. And again, that is a concern I have going down that road.

Admiral **Hardisty**. Yes, sir.

Senator **Bumpers**. Would the Senator yield for an observation?

Senator **Harkin**. Yes.

Senator **Bumpers**. Admiral, it is my understanding that press and other reports indicate that the Soviets tested this ASAT [deleted] which is not bad. But they have not tested it in the last 6½ years.

How much reliance would you put on a system if you had not tested it in 6½ years?

Admiral **Hardisty**. I would not put a lot of reliance on it if I had not tested it, depending upon shelf life and things like that. They should have tested it more than they have, sir.

Senator **Harkin**. Well, I appreciate that. I would like to follow up what Secretary of the Navy John Lehman said when he testified. [Deleted.]

He said: "The results of the major fleet exercises we have run in the last 2 years give us some confidence that we know how to cope with those kinds of collectors," talking about the RORSAT's and the EORSAT's.

Moving ahead, I was also intrigued by your response to Senator McClure's question. In my own interest in the ASAT, I wonder if we may be looking at the short term, in which we may be able to rapidly develop an ASAT system. I believe our technology is to the point where we can do that, an instantaneous ASAT system that might give us a short-term advantage over the next couple of years.

I wonder about the long term, though, because the Soviets would move right along with their ASAT and upset the stability that we may have right now. What do you think?

Admiral HARDISTY. Well, I do not think all the facts on votes are in, Senator Harkin. I think the development from milestone zero, two parallel technologies, development programs, production, and all those future decisions have to be made.

But we do have the technology, no doubt about that.

Senator HARKIN. No doubt about that.

Admiral HARDISTY. And I would like to see that technology developed to the point where we know that we could instantaneously or rapidly produce it if we needed it. That is as important as having it from my point of view.

Senator HARKIN. But again, what about an arms control agreement with the Soviets that would stop ASAT testing?

Admiral HARDISTY. Well, there might be one.

Senator HARKIN. There again, that would lend toward stability.

Admiral HARDISTY. Yes, sir.

Senator HARKIN. Thank you very much, Admiral.

Admiral HARDISTY. Thank you.

Senator JOHNSTON. I might mention to the Senator that you can have some ASAT limitations, limited by how high they can bring down the satellites. In other words, if they have low Earth orbit capability that is a very limited capability. So many of our satellites are geosynchronous or higher.

And you can limit testing of those in those higher configurations fairly effectively, and I think, maybe, that is what we ought to take a look at.

I think their existing, what is it, the Galosh, will bring down the low Earth orbit?

Admiral HARDISTY. Yes, sir.

Senator JOHNSTON. Those systems they have around Moscow.

Admiral, if you would, stay with us. We want to hear from General Menetrey and allow our first round of questioning. And if you could stay, maybe we would have time for a second round of questioning.

Admiral HARDISTY. Yes, sir; I would be happy to.

Senator JOHNSTON. You are always a very good witness and very informative. We appreciate your first round. Thank you.

Admiral HARDISTY. Thank you, Mr. Chairman.

Senator JOHNSTON. General Menetrey.

Generally, it is not possible to review our defense policy in the Pacific theater without consideration of the situation in the Korean Peninsula. Gen. Louis C. Menetrey serves as the Commander of U.S. Forces in Korea and joins us today to provide his insight on events in that volatile corner of the world.

General Menetrey testified before the committee last year and his contributions were central to many of the burdensharing initiatives proposed by the committee.

General, we look forward to your comments this morning, both as to the current situation in Korea and the impact of the initiatives which we enacted last year.

I would like to welcome you again on behalf of myself and General Inouye—Admiral Inouye, should I say, who is sick in Hawaii, recovering from a light case of the flu, and we hope he will be back soon.

General, welcome again to the committee.

STATEMENT OF GEN. LOUIS C. MENETREY, U.S. ARMY, COMMANDER IN CHIEF, UNITED NATIONS COMMAND/U.S. FORCES KOREA

General **Menetrey**. Thank you very much, Mr. Chairman and distinguished members who are present. It really is an honor and a pleasure to be here again and have the opportunity to discuss the U.S. military presence in Korea and our security relationship.

I had the opportunity to sit through the testimony of Admiral Hardisty. I had a very nice opening statement but I am going to just give part of it, that which I think is germane.

Senator **Bumpers**. You will never lose any friends around here that way, General.

General **Menetrey**. Well, that is one thing I really need, sir, is friends around here. So I will try not to lose any that I can help.

I am not only Commander, as you know, of the U.S. Forces in Korea, but several other commands, to include something called the United Nations Command. This is a carryover from the Korean War, as you are well aware.

But the point is that there is no peace on the Korean Peninsula, and this is germane to something that was raised earlier with Admiral Hardisty. There is merely a military armistice. So when you talk about the threat on the Korean Peninsula, I believe the threat from North Korea remains as real as it ever has been.

They continue to have a significant quantitative advantage, not qualitative but quantitative advantage, that on the ground at least, is at least in the same kind of percentage numbers as that between the Warsaw Pact and NATO.

So even as the Republic of Korea attempts to modernize, so is the North. They are pursuing their own modernization efforts and they are getting help and they are getting help from the Soviet Union.

Now, there are alleged new policies of openness and rapprochement between the Republic of Korea and the Soviet Union, many initiatives being taken. But the Soviet Union, nevertheless, continues to provide Kim Il Sung with some of the latest technology—the MiG-29 is perhaps the latest example, but that joins the Su-25 ground attack aircraft, some air defense weapons such as the SA-5, and other things.

And when we assess North Korea's array of military power, to include an army larger than that of the United States, we must also consider that a major portion of that power is located well forward, close to the demilitarized zone. Furthermore, they have underground installations and facilities which mask their intent and reduce our warning time. And most alarming, of course, is that Seoul, which is the heart of Korea, is only 26 miles from the demilitarized zone.

I guess the most significant concern is that North Korea is a closed society, a society out of step with the prevailing climate of East-West relations. It is led by a Stalinist-style dictator who has had a 44-year-old dream of uniting that peninsula under his rule.

This rather formidable offensive power is in the hands of an unpredictable leader who has certainly from time to time demonstrated his capability for irrational acts.

In any event, our forces there oppose this threat and that is why we are there.

And I had several other things, but I think I will just open it to questions and probably try to develop it as we go along.

[The statement follows:]

STATEMENT OF GEN. LOUIS C. MENETREY

INTRODUCTION

Mr. Chairman and distinguished members of the Defense Subcommittee: It gives me great pleasure to have the opportunity to present my views regarding the US military posture on the Korean Peninsula and the status of the U.S.-ROK security relationship. The U.S. has vital security interests in the Pacific and the presence of U.S. forces in Korea exemplifies our strategy of strong alliances and forward-deployed forces. The Republic of Korea is a nation in the midst of profound and rapid change. As we approach the anniversary of Korea's first peaceful transition of political power in history, it is particularly appropriate that we take time to examine the U.S. presence.

MISSION OF U.S. FORCES IN KOREA

Our mission in the Republic of Korea [ROK] is, as it has been for many years, to assist the Republic in deterring North Korean adventurism while remaining prepared to defeat any attempt by the communist north to subjugate the South. For over thirty-five years, through our collective security arrangement, we have been successful in this mission. During this period, the ROK has flourished as a nation and is a political, economic, and military power in Northeast Asia. The strategic importance of Korea is demonstrated by its position between Japan and the other two giants of Asia—the Soviet Union and the People's Republic of China.

The mission of U.S. forces remains unchanged. Our presence serves the defense interests of the Republic of Korea and the strategic interests of the US in maintaining stability in this vital region.

THREAT AND MILITARY BALANCE

Seoul is equidistant from Tokyo, Beijing, and Vladivostok. The interests of the world's four major powers intersect on the Korean Peninsula as well. The military balance, based on known personnel strengths, equipment, and force deployments, continues to favor the Democratic People's Republic of Korea [DPRK]. I expect this situation will gradually improve as the Republic of Korea continues to modernize its armed forces. A major factor in the military balance will be the extent of Soviet assistance to North Korea, assistance which continues in spite of the Soviet's new policies of liberalization and rapprochement with the ROK.

From the ground perspective, North Korea maintains numerical advantages in most categories of combat power. The north continues to enjoy a 300,000-man advantage in personnel strength, a 2.5 to 1 advantage in tanks, a 1.8 to 1 superiority in artillery, and a massive advantage in multiple rocket launchers. The ROK has recently fielded its own domestically produced rocket launcher to counter the approximately 2,000 deployable launchers maintained by the north. The U.S. also has fielded similar systems and will continue to do so as part of our force modernization efforts.

Of particular concern to those of us charged with the security of the Republic of Korea is the estimated 80,000-strong North Korean Special Operations Force and closely affiliated organizations which engage in terrorism, subversion, and intelligence collection. These forces represent a constant and significant threat to South Korea both within the Republic and overseas. Incidents such as the Rangoon bombing in 1983 and destruction of KAL Flight 858 in 1987 are just the latest examples of North Korea's continuing involvement in terrorist actions directed against the ROK. These same forces have provided assistance and training to other Third World countries seeking to develop special operations capabilities. In wartime, these units could be inserted by land, sea, and air to disrupt operations in forward and rear areas. Add to these formidable ground forces another 50,000-plus security forces and border guard troops and you have a well-balanced, well-disciplined, and loyal North Korean Army. At times, when personnel are not engaged in their military duties, many are used extensively to support the numerous civil works and industrial projects considered essential by dictator Kim Il Sung or his son, Kim Chong Il. Nevertheless, military training and readiness for combat remain top priority.

When viewing this imposing array of manpower and firepower, one should also consider that major portions of North Korea's ground forces are deployed well forward and supported by major underground facilities and large storage sites located near the Demilitarized Zone [DMZ]. These underground installations help mask the north's offensive intentions, reduce our warning time, and provide excellent support for an attack on the ROK. Seoul, the capital and heart of the Republic, is only 26 miles from the DMZ.

The North Korean air force continues to enjoy a numerical advantage over the ROK Air Force and has made qualitative improvements as well. The acquisition from the Soviet Union of MiG 23 FLOGGER aircraft in 1985, MiG 29 FULCRUM aircraft in 1988, and newer SA-2s, SA-3s, and SA-5s significantly enhances their air defense and intercept capabilities. The SA-5 presents a serious threat to civil and military air operations over much of the ROK. Additionally, North Korea has received the offensively oriented Su-25 aircraft, modern radars, and significant numbers of newer air defense systems. We fully expect North Korea to continue its force modernization efforts. The ROK Air Force has made qualitative improvements as well. These include acquisition of the newer and more capable U.S. designed and built F-16 and the co-produced F-5E aircraft.

North Korea's possession of the Hughes 500 helicopter is a special problem as its physical appearance closely resembles helicopters manufactured and flown by the ROK military. We are particularly concerned about the possible use of these helicopters, disguised as friendly aircraft, to support infiltration or conduct attacks in the South.

The 600 ships, craft, and submarines of the North Korean navy represent a significant advantage over the ROK navy, particularly in submarines and fast attack patrol boats, as well as in new infiltration and amphibious vessels. The ROK is attempting to counter this threat through an aggressive shipbuilding program. Indigenously produced frigates and corvettes will significantly strengthen the ROK's naval warfare capabilities. Even with these improvements, however, we expect U.S. naval support to remain essential for the foreseeable future.

Despite the massive military establishment north of the DMZ, other elements of national power such as national will, economic power, and political power must be considered when assessing the military balance on the Korean Peninsula.

The resolve of the Republic to defend its territory, political system, and way of life is as strong as ever. To assess the strength of the Republic of Korea's love of freedom, one need only review the sweeping political changes which have occurred over the past year, especially the transition to power of a democratically elected President and a new, independent National Assembly.

The economic power of the Republic of Korea, as a newly industrialized country, far surpasses that of its northern rival. The North Korean economy remains stagnant, with much of its industrial capacity used for production of military hardware. The ROK, on the other hand, has diversified its industrial base, which in turn has sparked dynamic growth in the economy.

Military spending as a percentage of Gross National Product [GNP] has remained fairly steady on both sides over the past several years. For the ROK, this figure has averaged 5.5 percent while, we believe, 20 to 25 percent has been committed by the north.

North Korea's GNP has risen from $10,500,000,000 in 1978 to about $20,000,000,000 in 1988; however, this increase has been overshadowed by its outstanding foreign debt. In 1987, Pyongyang was held in default of a $770,000,000 loan by a western banking group. Western nations, as well as communist nations, are increasingly reluctant to extend loans or conduct banking with North Korea because of its inability or unwillingness to meet its obligations.

North Korea's imports, totaling $1,800,000,000 in 1988, consisted primarily of petroleum products, machinery, and grain. Exports on the other hand were mainly minerals and metal products, particularly arms, equaling about $1,400,000,000. This trade deficit has only served to worsen the north's already poor economic situation.

The military threat to the Republic of Korea remains significant in spite of these economic problems. North Korean force alignment and equipment advantages present a formidable offensive capability.

The mission of our combined forces remains clear—to deter aggression by the North Koreans and to defeat them should deterrence fail. The U.S. military presence enables the Republic to enter into the South-North talks with confidence. We strongly support this dialogue and earnestly hope that reunification will ultimately be realized on terms which will ensure security and freedom for all Koreans. We are working directly with our ROK counterparts on tension reduction measures which support the reunification dialogue. But we remain ever vigilant. The strength of the combined ROK-U.S. team demonstrates to the world our collective resolve to preserve the peace on the Korean Peninsula and ensure stability in the region.

U.S. MILITARY PRESENCE IN THE ROK

To support our mission in the Republic of Korea, we have 43,783 military personnel assigned to the various headquarters and our Service components as of 30 September 1988. Of this number, about 31,600 are members of the Eighth U.S. Army [EUSA] and are assigned to the headquarters, to the 2d Infantry Division, and to combat support and combat service support units stationed throughout the country. This means that about four percent of the U.S. active Army is devoted to maintaining peace in this vital region of the world.

The 2d Infantry Division is the only Army combat unit west of Hawaii and is an integral and critical part of the combined defense force. The remaining U.S. Army elements in the ROK provide essential support such as aviation, signal, and intelligence assets for command, control, communications, and intelligence [C3I] services, as well as the logistics infrastructure required to support operations in peace and war.

U.S. Air Forces, Korea/7th U.S. Air Force is the air component, with nearly 12,000 personnel assigned throughout the peninsula. U.S. airpower is indispensible both as a deterrent and, in case of war, to the successful resolution of the conflict.

The remainder of our forces consist of almost 500 Navy and Marine Corps personnel assigned to command, staff, and liaison positions throughout USFK headquarters and in the naval component, U.S. Naval Forces, Korea.

Incidently, the strength ceiling on forces effective in fiscal year 1990 should pose no problems. There is no indication of a need to increase the number of military personnel assigned, although some restructuring and realignment may be necessary as needed modernization efforts continue.

Our 24,800-member civilian work force provides the continuity essential to a stable and efficient day-to-day operations of U.S. forces throughout the Republic. The majority of our civilian labor force, approximately 22,000 personnel, are Korean nationals. Approximately 16,000 of these employees hold appropriated fund positions, with the remainder employed in nonappropriated fund billets. These employees satisfy a critical labor need and had been relatively inexpensive in the past. However, with the wage increases granted this past summer and projected raises in future years, coupled with the revaluation of the won against the dollar, adjustments will have to be made. The U.S. civilian labor force is composed of approximately 2,800 appropriated fund and nonappropriated fund personnel.

Additionally, the Korean Augmentation to the United States Army [KATUSA] program, with its approximately 5,700 ROK Army augmentees, and the Korean Service Corps, with another 3,200 people, provide low cost services that support our forces and add to our combat power, and are part of the ROK contribution to our common defense.

There are nearly 20,000 U.S. dependents in the ROK. This population is fairly evenly divided between Command Sponsored (9,600) and Non-Command Sponsored (10,400) family members. As expected, Army family members comprise over 50 percent of our dependents with 4,428 Command Sponsored and 5,618 Non-Command Sponsored. Another 4,790 dependents are U.S. Air Force family members, with over 3,410 being Non-Command Sponsored. Our Navy and Marine Corps personnel have over 500 dependents in country, but only 40 are Non-Command Sponsored.

Ninety-four percent of assignments to the Republic of Korea are one-year unaccompanied tours, as has been the case since the end of the Korean Conflict. As previously indicated, we do have a number of two-year Command Sponsored accompanied tours which are designed to enhance readiness by reducing personnel turbulence in key billets. Facilities to support both accompanied and unaccompanied personnel have been slowly added over the years and remain a factor influencing our current tour length policies. The length of accompanied tours is based upon the command's ability to support our soldiers, sailors, airmen, and marines, and their families with the facilities available.

U.S. OPERATING AND STATIONING COSTS

The major costs of stationing U.S. forces on the Korean Peninsula include military pay and benefits for our 43,783 military personnel, operations and maintenance costs (to include civilian pay), major construction and family housing, and procurement to support the purchase of major end items [Service centrally funded). Our primary resources are presented below as estimates of actual funding received for fiscal year 1977 through fiscal year 1989. Fiscal year 1989 figures reflect funding received as of 1 February 1989. These figures do not include the costs of Service centrally funded equipment.

USFK RESOURCING FISCAL YEAR 1977–89

[Dollars in millions]

Current	Fiscal Year—			
	1977	1978	1979	1980
Military pay and benefits	360.2	387.3	395.1	404.4
Operations and maintenance	322.4	351.3	367.4	426.1
Military construction	14.0	0.0	8.0	5.3
Family housing	4.0	5.0	6.1	9.4
Other	3.0	3.0	3.0	3.0
Total	703.6	746.6	779.6	848.2

Current	Fiscal Year—			
	1981	1982	1983	1984
Military pay and benefits	480.7	553.8	586.1	619.8
Operations and maintenance	513.4	597.2	591.2	640.5
Military construction	69.0	67.7	58.0	58.0
Family housing	12.7	15.9	22.8	21.9
Other	3.0	3.0	3.0	3.0
Total	1078.8	1237.6	1261.1	1343.2

Current	Fiscal Year—				
	1985	1986	1987	1988	1989
Military pay and benefits	617.8	739.7	772.9	816.0	848.0
Operations and maintenance	706.4	700.3	786.9	627.6	650.6
Military construction	108.3	124.1	130.0	77.0	35.0
Family housing	23.3	19.6	21.8	21.5	20.4
Other	3.0	3.0	3.0	3.0	3.0
Total	1458.8	1586.7	1714.6	1545.1	1557.0

Constant [1]	Fiscal Year—			
	1977	1978	1979	1980
Military pay and benefits	754.8	759.8	729.9	695.4
Operations and maintenance	484.0	489.7	470.1	479.6
Military construction	16.4	0.0	7.9	5.5
Family housing	7.0	8.1	9.2	13.1
Other	5.6	5.2	4.8	4.0
Total	1267.8	1262.8	1221.9	1197.6

[1] Using 1989 deflator and adjusting for won/dollar relationship.

Constant [1]	Fiscal Year—			
	1981	1982	1983	1984
Military pay and benefits	707.6	724.8	737.4	757.0
Operations and maintenance	561.5	643.1	655.4	715.2
Military Construction	71.4	71.9	64.5	64.6
Family Housing	16.0	18.8	27.3	25.6
Other	3.8	3.6	3.5	3.5
Total	1360.3	1462.2	1488.1	1565.9

[1] Using 1989 deflator and adjusting for won/dollar relationship.

Constant [1]	Fiscal Year—				
	1985	1986	1987	1988	1989
Military pay and benefits	726.9	837.8	842.2	850.0	848.0
Operations and maintenance	785.0	779.6	831.9	653.8	650.6
Military construction	122.4	140.0	135.7	80.2	35.0
Family housing	26.7	22.0	23.3	22.4	20.4
Other	3.4	3.3	3.2	3.1	3.0
Total	1664.4	1782.7	1836.3	1609.5	1557.0

[1] Using 1989 deflator and adjusting for won/dollar relationship.

Resourcing in Korea has followed the overall pattern of defense funding with increases through the mid-1980's. During this time, USFK received adequate funding support. In fiscal years 1988 and 1989, before force modernization and quality of life initiatives planned during this period could be completed, USFK experienced two years of declining resources. All essential logistics support activities were performed in fiscal year 1988; however, reductions had to be made by a drawdown of Authorized Stockage Levels [ASL] in logistics support units, the acceptance of a lower availability rate for War Reserve Stocks and major end items, and reduced maintenance.

The fiscal year 1989 fund levels reflect almost three percent negative real growth over already austere fiscal year 1988 levels [Army: −2.4%, Air Force: −6.5%). The Army component of USFK has unfinanced requirements of approximately $20,000,000 in various operation and maintenance [0&M] accounts. The Air Force component is short $5,300,000 in the same category.

Fiscal year 1989 budget levels will require a reduction of logistic services in less essential areas and/or a degradation of maintenance. Many contract repair and maintenance projects planned for initiation in fiscal year 1989 will be deferred to fiscal year 1990 and beyond. The reportable backlog of facilities maintenance and repair will increase from $47,000,000 (end fiscal year 1988) to $77,000,000 (end fiscal year 1989).

Negative real growth in the Military Construction Army [MCA] Program will impact severely on EUSA, especially in light of the reduction already sustained in fiscal year 1988. The fiscal year 1989 MCA for EUSA was programmed at $99,000,000 and will be executed at $34,000,000, a 66-percent reduction and a 56-percent decrease from the severely reduced fiscal year 1988 level of $80,000,000. MCA projects planned for fiscal year 1989 will be deferred to fiscal year 1990 or later.

The reduction of MCA funds meant the lack of new facilities to house and support the soldier, as well as increased reliance on our aging physical plant. As these facilities age, they require increased maintenance and repair. Meeting those demands means drawing even more from the Operations and Maintenance Army [OMA] account at the very time this account is shrinking. Deferring necessary upkeep will cost us more later in real terms because of the combined effects of inflation and the additional damage that may result when a problem goes unremedied. The impact of reduced MCA money is acutely felt in the Army program to modernize troop billets. The program to eliminate quonset huts from Korea by fiscal year 1990 has already been delayed to fiscal year 1995, and could go to fiscal year 2004 if expected cuts materialize. In the meantime, some U.S. troops will continue to be housed in substandard inefficient billets with outdoor showers and latrines.

Zero to 2 percent real growth in fiscal year 1990–91 appropriations would damage our ability to conduct prompt and sustained combat operations. Heaviest hit will be maintenance, equipment fill for force structure upgrades, and MCA construction. The fiscal year 1990 MCA program, initially $127,000,000, was cut 60 percent to $51,000,000. A significant portion of this MCA program supports the Army of Excellence [AOE] conversions in the form of billets and tactical maintenance facilities, and is earmarked entirely for Army facilities north of Seoul. AOE conversions are designed to enhance war fighting capability by restructuring to smaller units relying on modernized equipment and greater firepower. The A0E conversion of the 2d Infantry Division is a USCINCPAC Integrated Priority List item. Conversion began in fiscal year 87 and will continue through fiscal year 1994. This conversion requires restationing units in order to better support the warfighting effort. In most cases, unit conversions are inextricably linked to one another, making it difficult and costly to stop or backtrack. We are currently halfway through AOE conversions based on mid-80s projections of fund availability. Current fund limitations may jeopardize our ability to complete the restructuring as programmed. Further cuts in the MCA program in fiscal year 1990 will hit the A0E program in mid-stream, cutting into programs for troop barracks and maintenance facilities, and adversely affecting training, sustainability, readiness, and the quality of life of our soldiers. Keeping force modernization on or ahead of schedule is critical.

The Korean won has been steadily appreciating against the dollar. While this has a positive macro effect on the U.S. economy, it increases the cost of doing business for U.S. Forces, Korea [USFK]. The won/dollar rate has decreased by approximately 10% in fiscal year 1988 and we foresee no change to this trend in the short term. Inclusion of the won in the Foreign Currency Fluctuation Account [FCFA] has insulated USFK to some degree from the decline in the exchange rate. However, items such as quarters allowance for military and civilian employees residing on the economy, per diem rates, and locally procured stock fund supplies are impacted by appreciation of the won. Activities not supported by the FCFA continue to experience increased costs due to the appreciation of the won. Moreover, as appropriated fund support for Nonappropriated Fund [NAF] activities is reduced, the problem will be exacerbated. Continued appreciation of the won has contributed to inflation in the Korean economy making supplies and services more expensive.

In the final analysis, the per capita labor cost to support our forces stationed in Korea remains less than other places where U.S. forces are stationed. The only way to save money by withdrawing forces from Korea is to disband them.

COST SHARING

Cost sharing is a function of distributing the risks, roles, and responsibilities of an alliance among its members. The specific nature of these risks, roles, and responsibilities is determined in large part by the fundamental purpose of the alliance. In Korea, we have joined with the ROK for the purpose of deterring and, if deterrence fails, defeating North Korean aggression. It therefore follows that our combined cost sharing efforts should address that mission.

In macroeconomic terms, the ROK's contribution to our common mission compares favorably with the best efforts of our NATO allies and Japan. Over the past ten years, South Korea has maintained a high level of defense spending—about one-third of their national budget. This amounts to an average of 5.5 percent of their ever-increasing GNP. The Republic of Korea is dedicated to continuing defense spending at these levels until the proper military balance with North Korea is achieved. In real terms, the ROK defense budget has increased during the last 10–15 years far more than that of any other ally of the U.S.

The ROK also provides significant support for U.S. forces in Korea which is not completely reflected in the macroeconomic data. The latest ROK figures put their total cost sharing effort at slightly over $1,900,000,000 per year in direct and indirect support. Direct support amounts to approximately $300,000,000 in budget expenditures, much of it for logistics services, operations and maintenance for combined headquarters and other activities, and construction projects. Indirect support amounts to approximately $1,600,000,000. This support consists largely of approximately 100 square miles of land (an extremely limited commodity) provided for our use at no charge, favorable utility rates, and exemptions from taxes and fees.

My most important priorities are programs that contribute to the combined operational capability of the alliance. Two such programs are aircraft maintenance and Combined Defense Improvement Projects or CDIP. Aircraft maintenance, a new program funded at $5,000,000 dollars for 1989, was established to provide maintenance for U.S. Navy aircraft and is a valuable cost sharing initiative. CDIP is a construction program that provides facilities for support of U.S. and/or combined forces in the Republic. The individual projects in the program directly enhance our combined operational capability. From 1974 through 1988, the ROK Government [ROKG] has provided $768,000,000 in support of the CDIP program. Last year, the ROKG agreed to provide $40,000,000 annually for CDIP for 1989 through 1991. This funding will support 29 construction projects.

While CDIP may appear similar to programs in Germany and Japan, it has its own unique characteristics. CDIP is not cost-free to the U.S. For every dollar Korea spends, the U.S. spends approximately 16 cents, the majority of which goes for offshore procurement (mostly U.S.) of material required to bring ROK construction up to U.S. specifications. The U.S. contribution for CDIP is critical to this cooperative and mutually beneficial cost sharing program.

We are continually evaluating the risks, roles, and responsibilities of the U.S-ROK security relationship, the status of cost sharing efforts, and the ability of the ROK to do more. Based upon this evaluation, we are taking those actions necessary to achieve the most equitable cost sharing arrangement.

ISSUES FACING THE U.S.-ROK ALLIANCE

As I indicated earlier, the Republic of Korea is undergoing political, economic, and social change. Under such circumstances it is only natural that the U.S.-ROK relationship comes under scrutiny.

I would like to briefly address what I consider to be the more significant issues relating to the U.S. military presence on the Korean Peninsula, notably the relocation of U.S. military facilities from Seoul, rising anti-Americanism, and bilateral discussions on the Status of Forces Agreement [SOFA].

We are presently negotiating with the ROKG to relocate U.S. military facilities from Seoul. Of the dozen such facilities, Yongsan Garrison with 755 acres is the largest. Yongsan contains the headquarters of the United Nations Command, ROK-U.S. Combined Forces Command, U.S. Forces Korea, and Eighth U.S. Army, as well as the Joint U.S. Military Assistance Group—Korea. When it was established Yongsan was well outside the boundaries of Seoul. The city has grown into a metropolis of more than 10,000,000 people and has completely encompassed the garrison, putting Yongsan in the heart of the nation's capital, on prime real estate. Other installations in the city, while smaller, occupy equally valuable land. The U.S. military role in the defense of the ROK requires some presence in Seoul, but we do not need as large a presence as we now have. We have therefore agreed in principle to the ROKG request to relocate to a less congested area, under the following conditions: the costs of moving the combined headquarters and U.S. military facilities must be borne by the ROK Government; new facilities must be adequate, must meet U.S. construction and safety standards, and must maintain the quality of life of our service personnel and their families; and most important, the operational readiness of our combined forces must be maintained at all times. The task is a complicated one and will take considerable resources to complete once there is agreement on a plan. I might add that the ROK military is considering the move of its Service headquarters out of Seoul for essentially the same reasons.

Due in part to Korea's long history of domination by bigger powers, its people tend to overestimate the influence of other nations in Korea's affairs. In addition, Korea's youth have no memory of the Korean war or its aftermath, when the U.S. role was perceived as very positive. Korean radicals and dissidents have increasingly adopted anti-American themes through the 1980s, and the past year or two has seen some of these themes gain more popularity in other sectors of Korean society, particularly as the news media have become less restricted.

Issues, including trade pressure, are being raised and discussed by a variety of groups, including radical students who often appear to take their cues from North Korean propaganda, but who remain isolated from the student majority and from the public. Some radical elements are not simply anti-American; many of them also seek a complete political upheaval aimed at a total restructuring of Korean society.

Although anti-American sentiment has increased in recent years, reliable polls continue to show that a solid majority of Koreans support the U.S. presence in Korea. Not all critics on U.S-ROK relations, meanwhile, are necessarily anti-American. Some government officials, for example, feel that lowering the U.S. profile will help deflect more extreme anti-American sentiment.

Increasing evidence of anti-American sentiment is only one of several byproducts of the democratization currently under way in the ROK. Others include the increasing expression of leftist sentiments and other divergent views; a feistier and more liberal young press corps (often at odds with their more conservative editors and publishers); a resurgent labor movement; and a new, more liberal attitude toward, as well as within, the ROK's several security agencies.

Anti-Americanism will not go away. The issues of 1988 are likely to be raised again this year. The ROK Government, meanwhile, will continue to be hampered in dealing with anti-Americanism by the public perception that, like the governments which preceded it, it is too dependent on the U.S. and thus unable to defend ROK interests effectively. Within this context, it is well to remember that the U.S-ROK relationship retains strong support, but U.S. policies must take into consideration Korea's heightened sensitivities over the character of the partnership.

Shortly after the Seoul Olympics, criticism of the U.S-ROK Status of Forces Agreement [SOFA] intensified among the Korean media and public. This criticism was generated in part by a few unfortunate incidents involving U.S. Olympic Team members and the U.S. media, and one incident involving USFK dependents, all of which intensified anti-American feelings and in turn increased criticism of the SOFA. This led to an informal ROKG request last fall that various portions of the SOFA and its associated documents be revised.

As a result of this request, USFK and U.S. Embassy representatives initiated SOFA review discussions with the ROK Government. ROK representatives presented a long list of requested changes in such areas as definition of SOFA status, facilities return, AFKN TV broadcasts, utility rates, customs, nonappropriated funds, invited contractors, local procurement, labor disputes, and criminal jurisdiction.

Our goal in these discussions is to cooperate with ROK authorities in order to resolve legitimate concerns with respect to SOFA implementation, to clarify misconceptions about the SOFA, and to avoid compromising rights essential to our mission and personnel. In this regard, we are particularly cautious about any fundamental changes with respect to criminal jurisdiction. The present forum has no authority to modify the language of the SOFA or its associated 1966 agreements, and we do not believe it to be in the best interest of either country to make such modifications. We do have authority to make procedural reforms, to clarify ambiguities, to resolve disputes in interpretation, and to modify past implementing agreements of the SOFA Joint Committee itself. We believe this provides us sufficient flexibility in meeting most, if not all, reasonable ROK concerns.

THE FUTURE

Faced with the dramatic and widespread changes occurring in the ROK and increased scrutiny of the U.S-ROK relationship here, as well as in the United States, it would seem natural that the future of the U.S. military presence should come into question. Recent events in Korea, coupled with prospects for greater budgetary constraints in the U.S., cause some to conclude that it is time to withdraw U.S. forces from Korea. Such reasoning is based on an overreaction to events in the ROK and a misunderstanding of the role played by U.S. forces on the peninsula.

Any discussions of withdrawing U.S. forces as a cost savings measure must address a wide range of concerns, including relocation costs, cost and availability of basing facilities and training areas, increased strategic air and sea lift requirements, implications of a lower U.S. profile in Northeast Asia, and the signal such a move would send to U.S. allies worldwide. Again, the only way to achieve cost savings by withdrawing is to eliminate force structure.

Most of the 2d Infantry Division's intelligence assets are essential in maintaining the armistice and are key to our indications and warning capability during transition to war. Even if the 2d Infantry Division was reduced in size, this would not necessarily mean a proportional reduction of the echelons above division support structure. Cuts in the echelon above division support structure would affect the level of support provided to ground forces and adversely affect the sustainment base for augmentation forces in a contingency. Such cuts might force modification of the flow of augmentation forces in order to bring in support units earlier than presently called for, thereby delaying the arrival of additional combat forces.

The 2d Infantry Division also serves as the working model on the application of U.S. Army doctrine for Korea. As the ROK Army modernizes its forces and develops its doctrine, the 2d Infantry Division serves as insurance that the combined aspects of operations are preserved. Additionally, the 2d Infantry Division provides a means to identify and correct interoperability problems between ROK and U.S. forces, leading in many cases to ROK purchases of U.S. equipment. These benefits cannot be achieved through the limited exposure gained by annual rotations for training exercises.

In army structure, a division is the lowest level organization capable of independent operations; therefore, reducing below that level in Korea is not a viable option. Furthermore, the presence of the 2d Infantry Division clearly communicates America's resolve. There are those who believe we can communicate the same degree of commitment without the presence of ground forces. In response, I would remind them that the cardinal principle of deterrence in Korea has always been that the sum of ROK and U.S. forces deployed in Korea plus deployable offshore U.S. forces must be perceived as able to repel any attack by North Korea. But for U.S. forces to be effective as a deterrent, they must be credible. North Korea must have no doubt that an attack on the ROK will involve deployed U.S. forces and in turn bring offshore U.S. forces into play as well. In this respect, the role of the 2d Infantry Division remains crucial and is analogous to that of U.S. ground forces in Europe. The issue is not whether the 2d Infantry Division would be essential to a successful outcome should war break out; rather, the issue is whether any combination of ROK forces plus offshore U.S. air and naval forces could duplicate the same degree of resolve, commitment, and steadfastness that the presence of the 2d Infantry Division conveys. It is generally understood by friend and foe alike that when the Army is committed, the United States is committed as a nation. Thus the 2d Infantry Division projects a sense of national commitment that cannot be conveyed by any other means, including air and naval presence.

CONCLUSION

In spite of the ongoing South-North dialog, the liberalization policies of both the USSR and the PRC, and the Soviet's rapprochement with the Republic, the threat to the Republic of Korea remains real and ever-present. As a consequence, the requirement to maintain U.S. ground forces in the Republic both for defense of the peninsula and for regional stability will continue for the foreseeable future.

It is essential that U.S. forces in Korea be provided the necessary resources to accomplish the mission. I have highlighted some of the problems attendant to budget reductions and the efforts we are taking to mitigate their impact. We will continue in these efforts, as well as pursue new initiatives in the cost sharing arena.

The Republic of Korea is undergoing rapid political, economic, and social change, and we can expect the U.S-ROK alliance to come under increased scrutiny as the process continues. It is important that we recognize that much of what is transpiring in the Republic is the byproduct of the democratization process and natural evolution in a thirty-five year old alliance. Since the Korean conflict, we have stood beside our Republic of Korea ally to counter North Korean aggression and support the growth of democracy in the Republic. By all accounts the current situation in the Republic represents success for both the U.S-ROK alliance and U.S. policy. As we address the inevitable changes, we must guard against overreactions that jeopardize the progress already achieved and threaten in effect to "snatch defeat from the jaws of victory."

BURDENSHARING

Senator JOHNSTON. Thank you very much, General Menetrey.

First on burdensharing, what has been the reaction of the South Korean Government to the initiatives we undertook on burdensharing?

General MENETREY. Sir, as you recall, this last year several different things developed. One was the so-called CDIP, or Combined Defense Improvement Program. They increased their contribution to that program. It is really their program.

We started a maintenance program for, in this case, naval aircraft, and that has been consummated. So both of those particular initiatives have been completed.

Senator JOHNSTON. As I recall your testimony last year, it was something like 43 percent of the cost of maintenance of U.S. troops in Korea that was borne by the South Korean Government. But as I recall, the figure is over a billion dollars of that or most of that was in terms of real estate; is that correct?

General MENETREY. Yes, sir; these figures are sometimes difficult to pin down and verify. This is the case not only in Korea, but elsewhere, as you know.

But the figure given really is a Korean figure, but we have no reason to quarrel with it, $1.9 billion. Most of that is in indirect costs, just as in the case with the Japanese figures that are sometimes given. That is indirect costs and part of the indirect costs are, if you will, free real estate, rent-free, not as in the cases we were talking about of some others.

So that is right, that is indirect costs. Direct costs, about $300 million. That is budgeted cost by the Korean Government.

Senator **JOHNSTON**. And the real estate that we occupy is very expensive in South Korea, is it not?

General **MENETREY**. Some of it is, that which is located in a metropolitan area, particularly Seoul. We have 12 installations in the Seoul metropolitan area. This is a holdover from, of course, when they were first occupied. They were not part of the metropolitan area necessarily, but Seoul has grown dramatically. It is a city of over 10 million people.

And so we are right now on rather prime real estate in our installations in Seoul, particularly the headquarters, Yongsan, which is the Combined Forces Command, United Nations Command, and all the other commands are there, as well as the U.S. forces.

Senator **JOHNSTON**. General, you say that the threat of invasion from the North is as great as it ever was?

General **MENETREY**. Sir, threat is a combination of many things. Let me say the capability is as great as it ever was.

Senator **JOHNSTON**. Likelihood, shall we say?

General **MENETREY**. Sir?

Senator **JOHNSTON**. Likelihood? We heard Admiral Hardisty say that he does not believe the PRC and the Soviet Union would encourage or reinforce an invasion. Are you of the same view?

General **MENETREY**. I agree that certainly it is not in their interests to take the stability that is there in the region and upset it, in my view. Particularly the PRC, I believe, has been quite a restraining influence on North Korea.

So I do not believe it is in the best interests of either the PRC or the Soviet Union to encourage adventurism, if you will, by North Korea, by Kim Il Sung.

Senator **JOHNSTON**. And we certainly do not know yet the full extent of what perestroika and glasnost means. But if it means anything at all, and surely it means something, it means that they would not encourage this invasion, which even in the coldest days of the Cold War they have not done, at least not since 1950.

So it seems to me that the real threat is not an invasion from the North. Granted there are a huge number of troops up there. But it seems to me that the threat of invasion is a pretty slim one, relatively speaking.

You would agree with that, would you not?

General **MENETREY**. No, sir. As I say, threat depends on what you are talking about. The capability is there. A 2.5-to-1 advantage in tanks and all the rest of it; it is there. They are forward deployed. They are almost in attack positions. Their artillery is in offensive posture. They can attack with little warning. Seoul is 26 miles from the DMZ.

So I think the threat is there, the capability is there.

SOUTH KOREAN'S QUALITATIVE DIFFERENCE

Senator JOHNSTON. Their air force, for example, much of their air force is made up of Korean War vintage MiG-15's. North Korean pilots fly very few hours per month. In fact, if we held our Air Force to the same amount of training our pilots would not be qualified to fly their aircraft, let alone combat missions.

Is this not an enormous qualitative difference, first of all in the aircraft?

General MENETREY. Yes, sir. I would not say that it is enormous, but there is a qualitative difference, thank goodness, in the aircraft. And generally speaking, the North Korean Air Force is not as capable, certainly, as either the Republic of Korea Air Force or as U.S. air forces in Korea or in the region.

And that is one of our best means of deterrence, which after all is our reason for being in Korea, is to deter war. So yes, there is that difference.

In terms of their training, that is quite correct, except during this last year they have flown more than any year in their history and their training program has picked up dramatically.

Senator JOHNSTON. But still well below the level of training which we have?

General MENETREY. Well below the level of training we have, that is correct, sir.

Senator JOHNSTON. General, if there is such a threat, why do they not call up their organized reserve, the South Koreans, of 350,000 men?

ORGANIZED RESERVE

General MENETREY. Sir, I am not sure what you mean by "their organized reserve." They have a very large reserve. As you know, the Republic of Korea is a conscript army. They serve an average of 30 months in universal conscription. So they have a very large reserve force. It is much larger than 350,000.

So I am not sure what you mean.

Senator JOHNSTON. Well, the force balance data I have shows an organized reserve of 350,000. That is in ground forces alone.

General MENETREY. I think that probably refers to a certain type of reserve, sir. They organize their reserve structure in what they call mobilized reserve divisions or homeland reserve divisions. And that sounds like about the strength of the mobilized reserve units, which are really designed to be front line divisions.

It is the same as our reserve components, sir. You know, they call them up in the event of mobilization.

Senator JOHNSTON. Well, General, we get back to the old question. Here we have got twice the population, seven times the GNP, a $10 billion trade imbalance with South Korea. And yet we have got 44,000 troops over there, and they have got the capability of raising their own army.

They do not take the threat as seriously as we do, or something. What is wrong here, General?

TRADE DEFICIT

I spoke to the VFW the other day, and they are certainly not a bunch of wimps. And you know, they could not understand why this long after the war, when they are sending their automobiles over here, raiding our markets, a $10 billion trade deficit, that we are paying for their defense. I do not understand it. I cannot explain it to these folks.

Why is that?

General **MENETREY**. There are several parts, if I can be brief. I am not sure—there are many reasons for the trade imbalance, but I do not believe any of them have to do with our Armed Forces.

You know, the trade imbalance has existed for the last 2 or 3 years. Before that, it was heavily in favor of the United States, and our Armed Forces did not have anything to do with that, either.

Senator **JOHNSTON**. Well, it has this to do with it. When we spend our GNP, $300 billion on military as opposed to R&D, which the government of South Korea and the government of Japan, they spend their money on R&D to a very large extent, more really than we are relatively speaking. And I mean, we have to take money out of the civilian sector, the private sector, and put it into military.

And I am for being strong. But it looks like this is one place where they could shoulder more of the burden.

General **MENETREY**. Yes, sir. I believe that the Republic of Korea is completely capable of shouldering the entire defense burden of defending the Republic of Korea. And I further believe that they intend to do so in time.

Now, as to the presence of U.S. forces—yes, sir?

Senator **JOHNSTON**. Excuse me for interrupting, but you say "in time." What is that time scale?

General **MENETREY**. Sir, as you probably know, the Republic of Korea has increased their defense spending in real terms more so in the last 10 or 15 years than any other U.S. ally, by a considerable degree. Their budget for this year represents real growth of perhaps 8 percent. So they are increasing their defense expenditures, if you will, in line with their ever-increasing GNP.

But the presence of U.S. forces is for multiple reasons, after all, and it comes from an historical background, as I have mentioned, the United Nations Command. And those forces are there for the external defense of the Republic of Korea in combination with our allies and in conformance with our mutual defense treaties.

But they also serve U.S. interests as well. That is a rather important and strategic area of the world. And if they did not serve U.S. interests in some way, then certainly we should withdraw them.

Senator **JOHNSTON**. Well, how do they serve our interests?

General **MENETREY**. By being there, sir. They serve our interests by adding stability and balance to that part of the world, which is, as I say, a very critical part of the world. That is perhaps—you know the Korean people over the centuries have suffered for that, but they do occupy a very critical part of the world.

Senator **JOHNSTON**. Well, I mean, is it domestic stability or is it in the invasion sense?

General MENETREY. No, sir; I am talking about regional stability. We have, as you know, nothing to do with the domestic stability of Korea.

Senator JOHNSTON. OK. Well, I have heard that argument seriously made, is the reason I ask. So domestic stability has nothing to do with our troops.

In fact, the argument has been made that American forces are an irritant there for domestic stability. At least, there is open rioting against the American presence there. Would you respond to that?

General MENETREY. To the rioting or the domestic stability?

Sir, we have no domestic stability responsibility within the Republic of Korea. They, of course, are perfectly capable of providing their own and do so. The regional stability, though, does add to——

Senator JOHNSTON. To what extent are our troops there an irritant, though?

General MENETREY. Sir, I am sorry?

Senator JOHNSTON. To what extent are our troops an irritant in South Korea?

General MENETREY. Are they——

Senator JOHNSTON. An irritant, to students, to others who riot against them.

General MENETREY. There is a certain amount of what you might term anti-Americanism prevalent. As you know, the President of the Republic of Korea, Roh Tae Woo, was democratically elected and they had a peaceful transference of power.

They have a National Assembly that has a majority in the opposition to the government party. The press freedoms have been expanded. So there is much new and different change. There is a lot of change in the Republic of Korea. So this has included some elements of anti-Americanism.

And there is a radical element in the Republic that actively demonstrates against the American presence, but they do not have the support of the majority of the Korean people. In fact, the large majority of the Korean people, according to all the polls, support the U.S. presence.

The radical fringe we cannot satisfy, nor should we try. But the majority of the Korean people, as we understand the polls, support the presence.

Senator JOHNSTON. When we call these people "the radical fringe"—and there are polls on this, are there not? You say"' as we understand the polls"?

General MENETREY. Polls; yes, sir.

Senator JOHNSTON. How big is the radical fringe?

General MENETREY. Sir, it depends on the cause. Here you have a society with many special interest groups. For example, they had a rather large demonstration down near the National Assembly on farm subsidies and that turned somewhat violent.

And in the labor area they have it. So it depends on your cause when you say it. But the radical people——

Senator JOHNSTON. Anti-American?

General MENETREY. Anti-American, it would be difficult for me to put a number on it, sir. But you are talking in the low thousands, maybe 4,000 or 5,000. Now, I am talking the radical types, not all those who have an opinion. That is a different matter. That would be a much larger number.

Senator Johnston. Well, have they asked about what percentage that are not anti-American, but are irritated by Americans with prime real estate downtown, golf courses, et cetera?

General Menetrey. Well, I do not know the exact question. You know, different polls have different questions. One poll of the students showed 80 percent of the students supported the American presence.

But irritants? Yes, there are a lot of irritants.

Senator Johnston. Who commissioned the polls?

General Menetrey. This particular one I think was taken by a derivative—and I am talking now without my data here, but I think it was a derivative or something of the Gallup organization. It was not ours. We did not commission it.

Senator Johnston. Do we have access to those polls?

General Menetrey. Some of them; yes, sir.

Senator Johnston. Could we get this furnished to the committee?

General Menetrey. Yes, sir.

Senator Johnston. Thank you.

General Menetrey. I do not think I have it here, but I will get it for you, yes, sir.

[The information follows:]

[Deleted.]

Survey results: Below are the responses (in percentages) to specific questions asked during the survey.

(Notes: *—Less than 0.5 percent. Due to rounding, totals may not equal 100 percent.)

[Deleted.]

Senator Johnston. Well, let me make it clear, I do not think we should react to the radical fringe. But when you try to define what function our troops are really doing there and where we can save money worldwide, I think we have to burrow in and ask what is their real function. I think we have established it is not domestic.

And I, personally, do not take the invasion threat that seriously. At least, if we do we ought to put either more troops or we ought to put better equipment. I mean, why not put the M-1 tank if we are really serious about this thing?

General Menetrey. I would like to, and we plan to. And why we have not is we do not have enough of them and the priorities are elsewhere.

But no, you are right, sir. The U.S. Army forces in Korea represent 4 percent of our Army. I think that is a rather great investment in the stability and deterrence they provide. But that is a matter of opinion.

There is no place you can put those troops, by the way, that you are going to save money. You would have to disband them.

Senator Johnston. Well, Senator Stevens and I have a place for the troops.

General Menetrey. Yes; you probably do, sir.

But it would be difficult to put them anywhere without costing more money. As you know, we have 94 percent unaccompanied tours in Korea. They train there. They train in the vicinity where they are most likely going to fight. It is a rather efficient place to put them.

Senator **Johnston**. Your morale is still very high?

General **Menetrey**. The morale is high; yes, sir.

Senator **Johnston**. I understand that the troops in Korea are some of the very best we have in terms of discipline, morale, ability to fight. Would you agree with that?

General **Menetrey**. Sir, I agree with that 150 percent.

Senator **Johnston**. Which is also a pretty good argument for saying that unaccompanied tours do work sometimes.

Senator D'Amato.

Senator **D'Amato**. Thank you, Mr. Chairman.

Mr. Chairman, I ask permission to submit a statement as if read in its entirety.

[The statement follows:]

STATEMENT OF SENATOR D'AMATO

Mr. Chairman, I want to begin by expressing my appreciation for your decision to continue holding hearings on these building blocks of the defense budget. This is a sensible approach to making decisions on the defense budget.

The Commander-in-Chief, Pacific Command, and the Commander-in-Chief, U.S. Forces Korea, play vital roles as major contributors to the formulation of our defense budget. In light of the current controversy over the fighter-support experimental program, the FSX, and the underlying issue, sharing the burden of the defense of Japan, we are fortunate to have before us today two witnesses who can speak with authority on the military situation in the western Pacific—Admiral Huntington Hardisty, CINCPAC, and General Louis C. Menetrey, CINCUSFORKOREA.

Japan has an estimated 1988 gross national product of more than $2.8 trillion—yes, trillion, dollars. Yet, it spends only about 1 percent of that GNP on its own defense.

The Japanese Government just announced that its 1989 defense budget will be $31.6 billion, a $1.56 billion increase over its 1988 defense budget. This looks good, and it sounds good. But it actually represents a decline in Japan's defense effort.

Last fiscal year, its defense expenditure represented 1.013 percent of their GNP. This coming fiscal year, it will only represent 0.999 percent of Japan's GNP. Why is this so? Because the Japanese economy is growing so much faster than their defense expenditures.

Their economy is growing so rapidly behind a U.S.-taxpayer-supported military shield. Our gross national product is approximately $5 trillion. We expect to spend $291 billion on defense in fiscal year 1990, according to the administration's revised estimate of outlays for the national defense function in the Federal budget.

Our defense effort is 9.2 times greater than the Japanese effort, based upon the share of our respective GNPs we devote to defense. The American taxpayer is wondering whether this division of effort is fair any longer.

It is true that Japan contributes toward the cost of this U.S. defense shield. However, that contribution has historically been less than half of its reported cost. This is based upon article 6 of the Status of Forces Agreement, which provides that Japan will pay the local costs of U.S. bases there, while the U.S. pays the wages of local employees.

As we all remember, the principal direct beneficiary of the U.S. presence in the Persian Gulf was Japan, because Japan received approximately 90 percent of its petroleum from the Persian Gulf and this supply was threatened by the tanker war. We lost lives and spent a substantial sum on the peacekeeping effort in the gulf.

Japan recognized this, and proposed to increase its payment for our forces defending Japan as one way to offset the costs of our protection on their sea lines of communication to the Persian Gulf. The Japanese Diet is reported to be considering a proposal to increase their payment from the fiscal year 1988 level of $2.5 billion through a revision of the Status of Forces Agreement.

What does it cost to maintain U.S. forces in Japan? Until this year's report on allied contributions to the common defense is published by the Defense Department, all we have is last April's report. It showed that the direct cost of maintaining U.S. forces in Japan was $3.7 billion in fiscal year 1985 and $5.0 billion in fiscal year 1986. The cost of those forces can only have gone up since then.

U.S. forces in Korea defend both Korea and Japan. Reportedly, we spend approximately $2.6 billion a year to maintain U.S. forces in Korea, and Korea contributes an estimated $1.2 billion in direct and indirect subsidies to their support.

I look forward to discussing with our distinguished witnesses the question of the Japanese contribution to their own defense. Given President's Bush's visit to Japan for Emperor Hirohito's funeral, and the general presaging of a new era in Japan, now may be an appropriate time to examine this issue.

Thank you, Mr. Chairman.

FSX

Senator D'Amato. General, Admiral Hardisty indicated in his statement that the upgrade of Japan's high-performance interceptors was one of the prerequisites the Japanese would fulfill in order to meet a commitment to bear their share of regional defenses.

Let me ask you, General, about the FSX deal now under consideration between the United States and Japan to meet that requirement—would not the same desired capability be achieved and be achieved more quickly if F-16's were bought directly off the shelf, instead of through this proposed FSX development program? The FSX certainly will not be delivered until well into the 1990's and will not be completed until after the turn of the century?

General Menetrey. The Japanese coproduction, that is what you are speaking of, sir?

Senator D'Amato. Yes, the Japanese aerospace industry will develop a plane, in my opinion, that eventually they will turn around in about 1996 or 1997 or 1998 and say we have got to buy for national security reasons because they are better and they are cheaper.

I make that prediction here: If we go through with this lame-brained idea and do that, the Japanese will develop a new industrial base for the production of fighter bombers, and the United States will be one of their clients, just as we are buying their nice little cars After all, we say they are cost effective.

Now, I want to talk about cost effectiveness. Have you looked at that package? Has anybody consulted you concerning when you can get and how you can achieve the desired capabilities more quickly?

My question was, can you achieve it more quickly by buying the F-16 at the present time?

General Menetrey. Sir, no. To answer your question, nobody has approached me on that. And I would imagine if you buy it off the current production line, it would be quicker than establishing a new one, though. That seems self-evident.

Senator D'Amato. General, you are telling me that in regard to this area—you are the Commander in Chief out there, are you not?

General Menetrey. Not in Japan, sir.

Senator D'Amato. No? You are in Korea?

General Menetrey. Yes, sir.

Senator D'Amato. Well, the Japanese were supposed to have a regional role—that is part of that total umbrella, is it not? No one has consulted you on the FSX package?

General Menetrey. Sir, that is a Japanese arrangement. If you are talking Korea, they are talking an FX, but they are trying to decide between the F-16 and the F-18.

Senator D'AMATO. All right. Well, General, I thank you for your candor.

I reiterate, Mr. Chairman, that I would hope that this committee would hold some hearings directly into this FSX matter. You have touched on it. I have heard your statements relating to the trade imbalances that exists.

It seems to me that when we are running up a $50 billion a year trade imbalance with the Japanese, when we have a plane that can be produced approximately three times cheaper than the FSX, when we can provide them with the sale of 120 planes in a lot shorter order, keep our production lines operating, give them a plane that will actually save them $6 billion and still help reduce our deficit, that something is not right when we continue to pursue this.

I see that I missed the Admiral. I should have asked him that question. That is too bad. I would like to—is the Admiral still here?

Senator JOHNSTON. Yes.

Senator D'AMATO. Come on up here, Admiral.

Mr. Chairman, would you let me ask?

Senator JOHNSTON. Sure, go ahead.

Senator D'AMATO. Admiral, you heard the question I posed to the General. I pose it to you because it was in your statement that I read that. What about that?

Admiral HARDISTY. I did not mention the FSX in my statement that I remember. But regardless of that, I understand exactly what you said and why you question the FSX.

In my opinion, the Japanese are going to build it, with or without our help. That is the bottom line. It will take them longer to build it without our help, but I do not think we are going to influence them.

We do need some technology that they have. The technology that is represented in what we are going to give them, some of it is 10 years old. It is FSX-16 technology. So there are pros and cons, Senator, on the argument. We could go classified and get into more detail. If I need to address it in more detail, I can do it for the record, sir.

Senator D'AMATO. Well, I would appreciate that.

[The information follows:]

It appears to me that your request contains a number of issues which I will be happy to address. My reply is unclassified, however for further information I understand that the President has requested an interagency review of this issue, due to him on 10 March 1989. I understand that this information will then be provided to Congress.

You first stated that the Japanese should buy one of our current fighters directly off the shelf. I do not think there has ever been any realistic possibility that the Japanese would choose this option. Back in 1970, the Government of Japan [GOJ] made a policy decision that all future weapon systems would be licensed produced or indigenously developed. In fact, they have already been licensed to produce U.S. aircraft since the 1950's. They designed and built their current support fighter, the F-1—the aircraft that the FSX-X will replace.

You also stated that by buying the F-16 the GOJ would achieve the same desired capability quicker and be more cost effective. The GOJ concept is to replace aging F-1's in the mid-1990's and the present FS-X program will accomplish the GOJ timetable. An off the shelf F-16 might very well be a quicker and more cost effection option, however, the present F-16 will not fulfill GOJ requirements. The FSX-X will be a significant improved derivative of the F-16, meeting GOJ requirement for the 1990's-plus threat.

Your final question had to do with possible GOJ development of a new industrial base for fighters and a prognosis of future competition. The U.S. Air Force and General Dynamics both remain confident that the FS-X project will benefit rather than harm U.S. competitiveness. Japan does not export fighter planes and cannot do so unless there is complete transformation in the current Japanese political scene.

In summary, the FS-X agreement is of great benefit and the most productive path for further growth and cooperation by both nations.

Senator D'AMATO. And I would hope, Mr. Chairman, we could have a session and, if it need be as it relates to those materials which are classified, let us do it in that manner.

But I have to tell you something. In my opinion, this is just the beginning of the loss of another industrial base, and we are helping to cause our own demise as it relates to this.

There is an element of fairness and fair play, and what is right and what is proper. We buy their cars and the products that they can produce cheaper and better and more efficiently. And by God, when we do that, I do not think there is any excuse for them not buying our products, particularly when they are available. You know we can upgrade the F-16, et cetera, and can do all those enhancements and still built a superior plane at a much reduced cost in a much shorter time.

I tell you, if this administration continues to pursue that direction, I would hope that the Congress would exercise the kind of leadership that has long been lacking in dealing with our partners on fair trade. This takes on national security ramifications as well.

I would hate to see us say a decade from now , "Oh well, we have got to buy this Japanese plane because it is a lot cheaper and it is at the cutting edge of technology. We will have assisted in that a decade earlier in terms of the decisions we are making now."

I thank the Chairman. I thank my colleagues.

Senator JOHNSTON. We would not have allowed this questioning except I agree with the question. [Laughter.]

Senator HARKIN. We all agree with the question. There is no doubt we all agree with it.

Senator JOHNSTON. General, I am going to have to leave. I am going to ask Senator Bumpers and Senator Harkin to chair seriatim here as I leave. But I want to thank both of you for excellent testimony.

Senator BUMPERS.

General MENETREY. Thank you, sir.

Senator Bumpers [presiding]. General, does our intelligence indicate in any way that you can discuss in an unclassified way whether or not the Soviet Union is planning to scale back assistance to North Korea?

General MENETREY. No, sir. In this forum, there is a lot of questioning on that. We can only monitor what is delivered. The intent we are not familiar with.

Senator BUMPERS. Are they delivering, the Soviet Union, sophisticated weaponry that is brand new, or is it mostly used equipment taken out of Soviet stockpiles or forces that has been used?

General MENETREY. Sir, being sort of careful what I say in this forum, some, such as the MiG-29, is probably new production.

Senator BUMPERS. Is that their latest fighter plane?

General MENETREY. It is one of those. It is the one that was demonstrated at the Farnborough Air Show and so on. It is an air superiority fighter and a good fighter, equal with perhaps the F-16, F-18 kind of technology.

MIG VERSUS U.S. PERFORMANCE

Senator **Bumpers**. Well, this is sort of off the record here, but I remember having a conversation with the Israeli Defense Minister, and he pointed out to me that in 1967 the Israelis flying, I think at that time, maybe F-4's, F-5's, destroyed about 50 MiG's that the Egyptians and Syrians were flying, and I think maybe lost a couple of their own.

In 1973 in the Yom Kippur War, they did even better than that in destroying MiG fighter planes. And when they invaded Lebanon in 1982, and you know, they used drones and some new technology there, they destroyed 80 Soviet-built MiG's. I do not think there were any MiG-29's in the crowd, but there were MiG-25's and MiG-27's. The Israelis destroyed 80 and did not lose a single fighter.

Now, it would be difficult for me to believe that the MiG-29 has made this giant technological leap from that point. And I am one who, I do not ever want to denigrate—even though the Soviet Union is sort of a backward society if you go there, they build some pretty good weapons and I do not ever denigrate their defense capability.

But I cannot believe that the MiG-29 is really in a league with the F-16.

General **Menetrey**. Sir, it depends on who is flying it.

Senator **Bumpers**. I think that is exactly right. And certainly, having said what I just said, we all admit the Israelis may be the best fighter pilots in the world. And the technique they used with the drones was really unique.

NORTH KOREAN ROCKET LAUNCHER

Well, let me ask you, what kind of rocket launchers does North Korea have? Do they produce their own or is it something they bought from the Russians?

General **Menetrey**. Sir, they produce their own.

Senator **Bumpers**. What is the range of it?

General **Menetrey**. They have ones of various ranges. They have the FROG kind of rocket, the longer range, up to 70 kilometers perhaps—most of them are Soviet or derivatives of Soviet designs—all the way down to the multiple rocket launchers, the battlefield sort of the old organ type rocket launchers, also of Soviet design.

But they are indigenously produced in North Korea.

Senator **Bumpers**. What is the range of their one that is comparable MLRS?

General **Menetrey**. They do not use something exactly like the MLRS. What they use is a variety of missile launchers, some at a low level, some at a higher level. So they have overlapping range.

Our MLRS, as you know, is much more sophisticated and a much better weapon system than what they are using. Theirs is an area kind of support weapon, just like the Soviets' is.

I would say their most comparable thing in terms of its diameter and range, it would be located in their division kind of artillery organization, and would have a range of about 20 to 25 kilometers and have, I believe it is, 122 millimeter, if I remember correctly the exact size of the rocket.

I can provide that exact information, but it is comparable.

Senator **Bumpers**. You do not need to do that.

Do you have any MLRS in your stock?

General **Menetrey**. Yes, sir.

Senator **Bumpers**. Do we sell that to the South Koreans?

General **Menetrey**. We have not as yet; no, sir.

Senator **Bumpers**. So they do not have it in their inventory?

General **Menetrey**. No; they are producing their own rocket launcher. It is not as sophisticated as the MLRS.

Senator **Bumpers**. But did I understand you to say earlier you did not have any M-1 tanks?

General **Menetrey**. No, sir; we do not as yet.

Senator **Bumpers**. Not any?

General **Menetrey**. None.

Senator **Bumpers**. What kind of mechanized forces are under your command, General?

General **Menetrey**. Sir, in the U.S. 2d Infantry Division we have—the two tank battalions, they have the M-60A3 tank. There are 134 tanks total. And in the Republic of Korea they have a very fine tank that they are producing.

Senator **Bumpers**. Domestically produced?

General **Menetrey**. Domestically producing, with U.S. design and U.S. assistance. There is a great deal of our technology in that tank, but it is domestically produced and it is a very fine tank.

Senator **Bumpers**. How many of them do they have?

General **Menetrey**. Sir, I have to be a little careful in this forum.

Senator **Bumpers**. OK.

General **Menetrey**. But they have—it has been in production for about 3 years now and they have a considerable number. And they are continuing in their force improvement program to produce them.

Senator **Bumpers**. How many men do they have in their regular army?

General **Menetrey**. A little less than 600,000, about 580.

Senator **Bumpers**. And North Korea has 900,000?

General **Menetrey**. Roughly.

Senator **Bumpers**. Who has the better reserve forces?

General **Menetrey**. The North Korean reserve force is larger. In terms of better, the training time as a determinant, that being the main determinant, in the North Korean system their term of service, their conscript term of service, is much longer than in the South. So that it is probable that their reserve forces might have a little bit higher level of training. But that is very hard to determine.

Senator **Bumpers**. What is their first-line fighter?

General **Menetrey**. The North Koreans, sir?

Senator **Bumpers**. No; South Korea.

General **Menetrey**. They are producing, coproducing, the F-5. They have purchased the F-16, so I would say that is their top-line fighter.

Senator Bumpers. They do not have any F-15's?

General Menetrey. No, sir.

Senator Bumpers. What degree of confidence do you have that the South Koreans could handle themselves if we were not there in case of an invasion from the North?

General Menetrey. There is no doubt in my mind at all that they have the will and the ability and they would fight, no question. They are a very, as you know, confident, self-confident and determined people. And as soldiers, they are excellent soldiers.

So I have no doubt in my mind that they would fight. Now, the problem there is then the force imbalance and the proximity of Seoul to the DMZ and their ability to withstand an initial surprise assault.

And without the added indications and warning [I&W], for example, functions that we bring, without the air and the surveillance assets that we have, both ground and air, in the 2d Infantry Division and so on, their indications and warnings would suffer. They would have to replace that in some manner to have the same warning time.

So it is difficult to answer your question. There is no question that they would have the will and they would fight. The outcome would be in doubt.

DETERRENCE

Senator Bumpers. Do you feel that our presence there is the deterrent that keeps North Korea from attacking?

General Menetrey. You are asking me to read the mind of a very difficult man to read, Kim Il Sung. I would say that our presence there is a great deterrent. Whether it is the only thing that keeps them from doing that, I cannot say. But it is certainly a great deterrent.

Senator Bumpers. The deterrent is not in the fact that we have 43,000 men; the deterrent is the fact that they represent the United States?

General Menetrey. Yes, sir. The deterrence is made up of many things, including will. But in any event, the forces in being, the forces that are available, and the forces that could be added in an augmentation fashion, all make up the force package, yes, sir.

Senator Bumpers. Would 10,000 men supply that same deterrent?

General Menetrey. No, sir.

Senator Bumpers. Would 20,000?

General Menetrey. Sir, you are asking a difficult question, because you are asking the intent of someone on the other side.

We have 43,000 plus——

Senator Bumpers. You have learned to live with that and you think that is a nice round number?

General Menetrey. A nice round number; yes, sir. I do not see the reason for any more, but it is packaged in such a way—certainly we could have less in Korea. That is a function of force structure and size.

But the idea of reducing it below an effective combat force does not appeal to me, and we are at about that size. Maybe you could restructure it a bit, but at about that size it is a self-contained effective combat force. If you wish to go below that, then you have to think about other things that they do.

As you know, in army structure a division is the lowest level that is capable of independent operation. And particularly in Korea, where you do not have the echelons above the division, to have less than that as a command headquarters in a combat situation is very difficult. So you run into other problems when you talk about reducing strength.

Senator BUMPERS. Do you see any progress being made on the diplomatic front between these two nations? Are things not thawing ever so slightly?

General MENETREY. Sir, I hate to be hopeful because our hopes have been dashed in the past. But it appears that the way things are moving, that there may be some movement on the North-South dialogue front and on sort of a rapprochement, some kind of an agreement that would, perhaps, in time allow us to terminate the armistice and to go with some kind of a peace agreement, or at least an understanding or nonaggression pact or something that would allow us to terminate the suspended animation we have had there since 1953.

DMZ RESPONSIBILITY

Senator BUMPERS. Do we respond to the forward positions of the North Korean army in kind? I mean, do we keep our artillery, tanks, and men stationed along the DMZ?

General MENETREY. Sir, there is a very small segment of the DMZ that is the responsibility of the 2d Infantry Division, very small. It is that narrow corridor that leads to Panmunjon, the so-called truce village where the Military Armistice Commission meets.

The rest of it is under the control of the ROK Army, which is part of the Combined Forces Command. So when I answer, I am answering as the Combined Commander.

Our artillery positioning is defensive in nature, and this is—you know, not to get into the details of this, but if you are defending your artillery is further back. If you are attacking, your artillery is further forward. Ours, if you looked at it on the ground, by any military professional would be said to be in defensive locations.

Our positioning along the front in terms of guard posts and along the so-called fence that goes along all the way across the perimeter has not changed appreciably in the last 10 years to my certain knowledge.

So I would say we are in a defensive position along the DMZ clearly.

Senator BUMPERS. General, let me make one observation and then I will hand the gavel over to Senator Harkin. I just want to make the point that I am not one—I believe the Japanese ought to be contributing more. There ought to be more burdensharing.

But I would like to be able to personally determine just what that burdensharing is. I am not one who is hot to rearm Japan. They have a very militaristic history and, you know, the times have changed, and I am not a Japanese-basher. Do not misunderstand me.

I am just not interested—I would like to see them contribute considerably more. But this pressure that seems to be building in this country on burdensharing has a lot of merit, but I think we ought to proceed rather cautiously as to just how that burden is taken up.

General **Menetrey**. Yes, sir.

Senator **Harkin** [presiding]. Thank you.

General Menetrey, it is good to see you again. I want to thank you for hosting me when I was over there last year. I appreciate your hospitality and also the briefings I had. It was very enlightening.

Because of those briefings the first time I had ever seen the DMZ—I became more interested in our whole position in South Korea. I think one of the telling points that I had learned during my briefing was that Korea is the only place where we have American fighting forces established anywhere in that whole area.

We have our bases in the Philippines, but they are just support bases. That whole region is in a turmoil. There is a lot of movement in the Philippines and Southeast Asia. A lot of movement. A lot of things are going to happen over the next 10 years.

So while I do not know about North Korea's intention and whether or not they would invade, the sense that we have our forces there for stability purposes makes a very telling argument with me.

ANTI-AMERICANISM

Second, good changes are going on in South Korea—a more democratic system. You say the opposition is now in the Assembly. I talked with some of the opposition when I was over there. I found no sense of any anti-Americanism, even among the opposition parties.

In fact, one of the leaders of the opposition party told me that he thought that the American presence there added to stability and their ability to make these kinds of changes.

So while you said in your statement that we do not get involved in the domestic situation in South Korea, we do not—but we do.

Let me sum up by saying that we have had this presence in Korea during all of the military dictators that were there, during all the times of human rights abuses. Now at the time when they have made a significant change and are moving toward democratic reforms, and I might add moving very rapidly, I wonder what kind of signal it would send if all of a sudden we just packed up and left, and what that might do to that kind of democratic change, and whether we might not go back to some form of dictatorship.

What are your observations on that domestic situation and what might happen if we were to pack our bags and leave?

General **Menetrey**. Sir, if we were to pack our bags and leave—of course, we provide, we help, in combination with our ally the Republic of Korea, to provide a stable environment for the flourishing of whatever within the confines of the boundaries of the Republic of Korea. So we as a military or a security shield, shield externally.

But that allows the domestic development, as they have so well developed as you have indicated. Now, what would happen, it is difficult to say. I would imagine there would be a very heightened sense of threat and, therefore, a lot of tension and turmoil in the society because of the heightened sense of threat.

And it is not only there. It is the impact it has on Japan and China and all the other sort of actors in the area. You know, the four major powers of the world intersect on the Korean Peninsula. Seoul, as you know, is equidistant between Beijing, Tokyo, and Vladivostok.

So there is an interaction also elsewhere, not only within the borders of the Republic of Korea. What that would be is speculation, but you know, there would be some.

Senator **Harkin**. I would be concerned about that, because usually when you increase those tensions, when you are under the barrel of a gun, democracy does not flourish. I think our presence provides that kind of stability.

South Korea has been a marvel of economic progress, and they are just now starting on its political and social progress. I have some concerns about what would happen to that if we were to leave.

One last question of a more specific nature: How did North Koreans get Hughes 500 helicopters?

General **Menetrey**. Sir, I can provide you the intelligence report for the record. But they got it through third parties.

Senator **Harkin**. Is that classified? Who is the third party?

General **Menetrey**. The report on how they did all that is classified; yes, sir.

Senator **Harkin**. Well, I will have to find out.

I do not have any more questions. Again, I thank you for your hospitality when I was over there a year ago. And I want to thank you for appearing today before the committee and presenting your views on issues facing the United States and the Republic of Korea.

Your prepared statement and the contributions you have made today reflect your experience in these matters. Certainly you have given thoughtful consideration to these issues.

Your testimony last year was central to the burdensharing initiatives proposed by this committee. Your comments on the impact of these measures and your views on the current situation in the Republic of Korea will serve to inform this committee's deliberations on any change in the status and role of our forces on the Korean Peninsula, and indeed in Japan.

Your insights and those Admiral Hardisty presented in his statement and testimony will enable the committee to consider from the perspective of our military leaders in the field the issues facing the Pacific theater of operations. We will keep your views in mind when we act on appropriations.

I know that Chairman Inouye and Senator Stevens view the Pacific region with great concern and interest, and this hearing should serve as an early indicator of their commitment to a strong but appropriate U.S. military presence in the Pacific. And we are grateful for your assistance.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing but were submitted to the Department for response for the record:]

QUESTIONS SUBMITTED BY SENATOR INOUYE

FORCE COMMITMENT

Admiral Hardisty, the prepared testimony submitted by General Menetrey, Commander of U.S. Forces Korea, states that "It is generally understood by friend and foe alike that when the Army is committed, the United States is committed as a nation."

Question: Admiral, we have been told that the homeporting of the U.S.S. Midway in Japan is critical to demonstrate our "national commitment to Japan. Does our lack of an Army/ground force deployment to Japan weaken our position there?

Answer: Over 20,000 U. S. Marines, in the form of the III MEF, are stationed on Okinawa as a ground force deployment. U. S. policy of Forward Defense includes elements from every service. Japan is home to over 55,000 active duty personnel. All services are represented in the region.

Question: Admiral, would you concur that air and naval forces can provide a considerable military deterrent while maintaining a somewhat lower profile for U.S. presence in a region?

Answer: Air and naval power can contribute to military deterrence but U. S. ground force presence clearly signals U. S. commitment. This is especially true for countries in which U. S. presence has continued for long periods of time. To remove ground force presence changes the equation for deterrence. U. S. ground force presence is a commitment of U. S. will. While air and naval power contribute to deterrence, there is a perception of the transitory nature of their presence. Unfortunately, this perception is in the eyes of the host country, and no matter how strongly we express the strength of our commitment, doubts will remain. The answer is an increase in the military capabilities of the host country coupled with a reduction in tensions with any potential adversary.

Question: As security requirements evolve in a growing power, such as Korea, might not a transition to primarily air and sea support serve as a means of sustaining a U.S. commitment without significant troops being stationed in country?

Answer: To sustain a U. S. commitment without significant U. S. ground troops in a country is feasible, but this depends upon various political/military factors, including how the process of implementation is undertaken. Any reduction of U. S. presence should be tied to reductions in tensions on the peninsula. Host country military forces should be clearly capable of assuming any added roles and missions provided by U. S. forces. A coordinated and mutually agreed upon effort with the host country should characterize the process. We have made clear that our present forces will remain in South Korea as long as the people and government of that country want us to remain there.

TEAM SPIRIT

QUESTION: One of the principal annual joint Service/allied training programs is TEAM SPIRIT, which exercises U.S. and Republic of Korea command and field forces. This exercise is one of the most visible symbols of the U.S. presence in the Republic of Korea. Why have you proposed postponing the TEAM SPIRIT exercise for this year? Will you be scaling back the level of participation and the number of units involved?

ANSWER: At the request of the Republic of Korea (ROK) Government, we agreed to postpone the official announcement of TEAM SPIRIT this year. Neither we nor the ROK Government proposed postponing the exercise itself. No, this year's TEAM SPIRIT exercise involves essentially the same level of participants and the same number of units as TEAM SPIRIT 88.

QUESTION: What will be the savings from postponement of TEAM SPIRIT for this year?

ANSWER: Since the TEAM SPIRIT exercise was not postponed this year, there are no savings involved.

QUESTION: What types of substitute training programs will you employ to accomplish your training goals?

ANSWER: TEAM SPIRIT provides invaluable joint and combined training to all participating forces. Since the exercise will proceed as scheduled, no substitute training programs are required this year.

QUESTION: Have you restricted any low level flight training for Air Force units operating in Korea?

ANSWER: (Deleted.)

FORCE COMMITMENT IN KOREA

QUESTION: Your testimony states, "it is understood by friend and foe alike that when the Army is committed, the United States is committed as a nation. Thus the 2d Infantry Division projects a sense of national commitment that cannot be conveyed by any other means, including air and naval presence." Could you please elaborate? Do you mean that since Army forces are not mobile, the U.S. would have to become involved in the event of a North Korean attack? Wouldn't a smaller force, such as a brigade serve this same "trip wire" mission? Wouldn't a North Korean attack on Suwon or Osan Air Force Base have the same result?

ANSWER: The presence of air and/or naval forces doesn't convey the same sense of commitment as ground forces because in the event of a conflict in Korea, the naval forces could remain offshore and Air Force aircraft could fly away. Whether that would happen is not the issue, as much as the perception of friends and foes that it could or would happen. As far as we can tell, the North Korean perception has been that our modest ground force presence constitutes the leading edge of the entire U.S. military establishment and that an attack on it would bring into play both deployed and offshore U.S. forces. For years the 2d Infantry Division has enforced that linkage. The 2d Infantry Division, a major combat formation encamped astride the historic invasion routes and close to the demilitarized zone, has been the real earnest of our investment in the prevention of war. The North Korean armies could not attain any logical objective without moving it aside, and to attempt to do so would mean engagement with the full military power of the United States. If we are exclusively concerned with providing a "trip wire," then a smaller force might conceivably accomplish the same result; however, to sustain a level of deterrence that will stay the hand of an aggressor requires not only credible combat forces but also the evident political will to use those forces. To the extent that we take actions which may appear designed to avoid involvement, we suggest that our forces might not be used and thereby detract from their deterrent value. The result would be an equivocal U.S. commitment which would be more likely to involve us in war. In the Army structure the Division is the lowest level organization capable of independent operations; therefore, reducing our forces to brigade size could jeopardize the ability of that force to effectively respond to a North Korean threat and would not result in a significant reduction of our required support forces in country. An attack on one of our Air Bases might also bring the full might of the U.S. military into play, but not with the same degree of certainty afforded by involvement of the 2d Infantry Division.

AIR BALANCE IN KOREA

QUESTION: Much of the North Korean Air Force is made up of Korean War vintage MIG 15s, and North Korean pilots fly very few hours per month. In fact, if we held our Air Force to the same amount of training, our pilots would not be qualified to fly their aircraft, let alone perform combat missions. Isn't the air balance on the Peninsula significantly in our favor? Doesn't our superiority limit the North Korean's ability to conduct a successful ground invasion of the Republic of Korea?

ANSWER: (Deleted.)

QUESTIONS SUBMITTED BY SENATOR JOHNSTON

COMMONWEALTH OF NORTHERN MARIANA ISLANDS

Question: Friendly relations between the Federal government and the government of the Commonwealth of the Northern Mariana Islands (CNMI) is an essential component of our policy in the western Pacific. Unfortunately, these relations have been damaged because the Federal Government failed, for a period of over a year in 1987-88, to meet its obligation under Section 902 of the Covenant between the United States and the CNMI. Section 902 requires the Federal government to appoint a negotiator to discuss issues of mutual concern.

The current 902 negotiator is expected to resign soon. Will CINCPAC be working within the Administration to see that a replacement is promptly named?

Answer: USCINCPAC will welcome the opportunity of working with the Department of Interior's replacement for Becky Dunlop, should Ms. Dunlop resign. USCINCPACREP, RADM Johnson, holds monthly Civil Military Advisory Council meetings with the CNMI, which serves somewhat to supplement 902 discussions.

Question: The current 902 negotiator has made recommendations to the President to resolve certain disputes which exist between the CNMI and the Federal Government. Are you aware of these recommendations and can we expect CINCPAC to take an active role in supporting the negotiator's efforts to resolve these disputes?

Answer: We have not been informed of Ms. Dunlops' 902 recommendations, but are prepared to lend appropriate assistance when we can.

GUAM

Question: The government of Guam has petitioned the Federal government for a change in Guam's political status. Last year, at the request of the Delegate from Guam, I introduced the Guam Commonwealth Act and requested Administration comments in order to initiate consideration of Guam's request. I am sure that you agree that the bill, as introduced, needs substantial change to meet many concerns of the Federal government. However, I am concerned that the Administration is not sufficiently committed to this process and that Guam's request for consideration may be falling through the cracks.

Is CINCPAC commited to this process and to working within the Administration to meet Guam's legitimate concerns?

Answer: We support Guam's petition in principle. However, we have indicated our reservation with some portions of the Commonwealth proposal, which in turn were submitted by DoD to the Interagency group, headed by the Department of the Interior.

Question: The Department of the Interior is the lead Federal agency with responsibility in the territories. Unfortunately, their performance record has not been good. Moreover, the nature of Federal-territorial relations has changed substantially in the last two decades. I and other members who have an interest in the territories have proposed moving territorial affairs from the Department of the Interior to an interagency office which would give other agencies greater participation in territorial policy.

Generally, is this a proposal which CINCPAC and DoD would support?

Answer: I do not believe it is appropriate for me to comment on an Interior matter, without guidance from DoD.

KOREAN BURDENSHARING

QUESTION: You say in your statement that North Korea is spending 20 - 25 percent of their gross national product (GNP) on defense versus 5.5 percent for South Korea. Data from last year's hearing indicates South Korea is spending 60% more on defense than North Korea ($7 billion versus $4.4 billion). But you would agree, wouldn't you, that South Korea with its much larger GNP is, in fact, spending substantially more on defense than North Korea is?

ANSWER: South Korea's GNP is much larger than that of North Korea, and in spite of the North spending a very large percentage of its GNP on defense, the South does spend more on defense. This has not always been the case, and we would do well to remember that the North started out with military superiority and has for many years spent a greater portion of their GNP on defense than South Korea. Also, in North Korea the cost per item of military equipment or per soldier is substantially less than in the South, so the North gets more for its money. The fact that North Korea does have serious economic problems, yet continues to expend a quarter of its GNP on defense, should shed some light on their motivation.

QUESTION: You say that the latest South Korean figures show their cost sharing effort at slightly over $1.9 billion total in direct and indirect support. But according to the questions and answers supplied for the record last year, they were supplying over $1.9 billion in support in 1987. What new burdensharing are they undertaking since 1987?

ANSWER: Since 1987 the ROK has increased cost sharing in a number of areas. In 1988, they agreed to fund combined defense improvement projects at $32.5 million and committed $40 million a year for 1989-91. They also funded a $5 million aircraft maintenance program for 1989. We recognize that figures on total ROK cost sharing contributions are somewhat dated and as a result we have recently requested an update from the Ministry of National Defense (MND). While that update is still being prepared, our own estimates place total ROK annual contributions above $2 billion. Additionally, we have just submitted a new cost sharing package to the ROK Government and expect to obtain additional cost sharing support for 1990.

QUESTION: If we relocate part of our forces from around Seoul, will the South Koreans pay for construction of all new facilities?

ANSWER: When the Secretary of Defense agreed in principle to the ROK Government proposal to relocate U.S. facilities from Seoul, he did so on the basis of certain conditions. Two of those conditions are that the relocation must be accomplished at no cost to the U.S., and that equivalent or better facilities which meet U.S. standards must be provided.

QUESTIONS SUBMITTED BY SENATOR BYRD

CHANGES IN SOUTH KOREA

QUESTION: Since 1985, South Korea has gone through dramatic political changes, which are creating many problems in U.S.-South Korean relations. The downfall of the Chun Doo-hwan government in 1987 brought a more democratic system of government and the emergence of new political and interest groups with their own agendas and grievances. Elections have produced a divided government, with opposition parties in control of an assertive National Assembly. The United States has come under heavy criticism in this transition. It is accused of supporting the Chun Doo-hwan dictatorship since 1980; maintaining a too visible and domineering military presence and issuing unfair demands on South Korea to open markets for U.S. products and business. It is also charged with responsibility for the division of Korea at the end of World War II and afterwards, and for secretly stationing nuclear weapons in South Korea. According to polls, the South Korean Government and a majority of the public support continued close ties with the United States. However, the polls also show that criticism of the United States runs deep among university students, and some of their anti-American accusations have affected the opinions of some parts of the general public. The South Korean Government has called for reduced visibility for U.S. troops, base relocations, an equal role for South Korea in the joint U.S.-South Korean military command, and revisions in the Status of Forces Agreement to give South Korea explicit jurisdiction over criminal acts committed by U.S. serviceman. This coincides with U.S. pressure on South Korea for greater "burdensharing" with South Korea, including a financial contribution for the maintenance of U.S. troops.

South Korea's relations with North Korea remain tense. Talks have begun among members of the two parliaments, and preliminary discussions are underway over a possible meeting of the prime ministers. North Korea has threatened to break off the dialogue, however, citing the currently ongoing U.S.-South Korean "TEAM SPIRIT" military exercise as an obstacle to a relaxation of tensions. Press reports recently disclosed a new U.S. national intelligence assessment finding that the North Korean armed forces now number over one million men. What will be the U.S. response to South Korean sentiment and proposals for (1) a change in the Combined Forces Command to give the South Korean military equality with the U.S. military; (2) proposals for a relocation of the big U.S. Yongsan base out of Seoul; and (3) changes in the Status of Forces Agreement to give South Korea greater jurisdiction over criminal acts by U.S. serviceman?

ANSWER: As a result of the 1987 U.S./ROK Security Consultative Meeting the Combined Forces Command was directed to undertake a long term study called CFC 90. This study is examining a variety of issues concerning the organization and functioning of the combined command and already steps have been taken to eliminate even the perception of inequality between the U.S. and ROK military. In the course of this study, we have found some significant differences between reports in the media of public sentiment and vague proposals for change and what the professional Korean military view as appropriate for study and revision. Although the U.S. has proposed a significant internal reorganization of the Combined Forces Command, which over time would enhance the Korean role in daily operational decisions, these proposals have been virtually rejected by the Korean members of the study group as unnecessary, unwarranted, and/or disruptive. The South Koreans appear to be generally satisfied with the structure and operational philosophy of the U.S./ROK Combined Command, and the changes they do desire tend to be in the area of alterations to internal operational procedures. The U.S. has not been officially approached by any South Korean official with proposals for broader or more significant changes to Combined Forces Command. The U.S. response to the ROK Government's proposal to relocate U.S. military facilities from Seoul, including the Yongsan Garrison, was provided by the Secretary of Defense in June 1988 when he agreed in principle to the proposal. In doing so, the Secretary established certain conditions. These are: any move must be at no expense to the U.S. Government; equivalent or better facilities which meet U.S. standards and which maintain the quality of life must be provided; and there must be no degradation of operational readiness as a result of planning and execution of the move. On 16 December 1988, USFK and the US Embassy, Seoul began a series of discussions with the Republic of Korea to ascertain their concerns with respect to the provisions and operation of the Status of Forces Agreement. Criminal jurisdiction is one of the areas now under discussion. The problem areas set forth by the Republic of Korea have been tasked to subcommittees for detailed discussions. Our subcommittee members have been instructed to work cooperatively with their Republic of Korea counterparts in an effort to clarify misconceptions concerning the SOFA and to develop the most appropriate solutions to resolve those concerns which do not result from misconceptions. This must be done without compromising the fundamental rights of our personnel and dependents, particularly in the criminal jurisdiction area. The subcommittees are to submit progress reports by April 20, 1989. These progress reports will be thoroughly studied by appropriate officials of U.S. Forces, Korea and the U.S. Embassy prior to a meeting of the full joint committee currently scheduled to take place on or before May 12, 1989. The joint committee will at that time discuss how next to proceed based on the subcommittee reports. Hence, it would be premature to speculate on the ultimate U.S. response except to say that this command will support no proposal which impairs the fundamental due process rights of American personnel and dependents in Korea.

Apart from the SOFA review process discussed above, U.S. Forces, Korea has already taken unilateral action in an effort to satisfy some of the public criticism. For example, we recently instituted a policy requiring all units to designate and train United States representatives in advance to facilitate more prompt responses to Korean authorities who wish to question suspects. A United States representative is required to be present whenever one of our military or civilian personnel or dependents is questioned as a suspect by Korean authorities. Our former practice of designating and training the United States representatives on a case by case basis often delayed questioning by Korean authorities for several days. We are also undertaking a public relations effort to help Koreans understand that when they waive cases to the jurisdiction of United States military authorities in Korea, we take effective disciplinary action, such as court-martial trial, whenever appropriate.

TROOP STRENGTH

QUESTION: Analysts at the Center for Strategic and International Studies here in Washington, who attended a conference with the South Korean Defense Ministry last September, proposed in a December 1988 New York Times article that the United States make a small cut in its troop strength in South Korea. What is your reaction to the proposal?

ANSWER: Even a small cut would very likely be seen as the beginning of a process of disengagement. Such action would send the wrong message to our friends, as well as our adversaries by communicating a weakening of U.S. resolve, and could encourage North Korea aggression.

QUESTION: How long should U.S. ground combat forces remain in South Korea?

ANSWER: Our ground forces in South Korea serve the defense interests of both the Republic of Korea and the U.S., and should remain as long as they are needed to ensure peace and stability on the Peninsula and in the region.

QUESTION: Would a small cut be made by pruning military staff personnel in conjunction with a relocation of Yongsan base?

ANSWER: The negotiations concerning relocating U.S. military facilities from Seoul involve no change in the mission or force structure of U.S. Forces in Korea, merely a new geographical location for units presently in Seoul. Therefore, no change is anticipated in military staff personnel levels.

NUCLEAR WEAPONS IN SOUTH KOREA/TEAM SPIRIT

QUESTION: Would you agree or disagree with the views of some U.S. experts on Korea that the issue of alleged American nuclear weapons in South Korea is going to be high on the agenda of U.S.-South Korea relations within the next two or three years?

ANSWER: The question of the presence or absence of nuclear weapons is not new or unique to Korea. I should point out that virtually all aspects of our military involvement in Korea, both real and imagined, are receiving increased attention.

QUESTION: What were the Bush Administration's reasons for proceeding this month with the big "TEAM SPIRIT" exercise with South Korea, even though North Korea might use it as an excuse to break off the new series of talks with South Korea?

ANSWER: Neither the U.S. nor the Republic of Korea Governments believe that North Korea should be permitted to dictate our military posture by threats to break off talks. The actions of the North with regard to TEAM SPIRIT are not unexpected and typify their continuous use of propaganda as a means of driving a wedge between the U.S. and the Republic of Korea.

QUESTION: In view of the intensity of feelings in South Korea about reunification at present, how widespread is the view among opposition political parties and the South Korean public that the "TEAM SPIRIT" exercise is an obstacle to successful North-South talks?

ANSWER: As far as we can tell, most South Koreans support TEAM SPIRIT and do not view the exercise as a serious obstacle to the South-North talks. For the most part, South Koreans recognize North Korea's objections to TEAM SPIRIT as propaganda and an excuse to avoid talks in earnest.

TEAM SPIRIT/BURDENSHARING

QUESTION: Did the Administration consider a postponement of the exercise in order to test North Korean intentions regarding negotiations with South Korea?

ANSWER: As I indicated in a previous answer, neither the U.S. nor the Republic of Korea Governments believe that North Korea should be permitted to dictate our military posture by threats to break off talks. In 1978 and 1986, the North used TEAM SPIRIT as an excuse to cancel ongoing talks; however, in 1976-77, 1979-80, and 1984 they continued ongoing talks in spite of TEAM SPIRIT. The North's policy concerning TEAM SPIRIT is inconsistent and their claims regarding the exercise unfounded. The fact that they linked the talks to the exercise is itself indicative of their true intentions regarding negotiations with the South. We elected to show our good faith and sensitivity to the South-North talks by providing the North with prior notification of the exercise, as well as an invitation for them to send observers.

QUESTION: How is the South Korean Government responding to U.S. proposals for greater burdensharing?

ANSWER: The ROK Government has demonstrated their willingness to make meaningful contributions to support U.S. Forces in Korea and the combined defense to the Republic. As in the past years, we have just submitted a new cost sharing proposal to the Ministry of National Defense. Although it is too early to know how the ROK Government will respond to this new proposal, I am confident that they will undertake additional cost sharing initiatives once a final package is agreed to at the 21st Security Consultative Meeting later this year.

SOUTH KOREA AND EAST ASIAN SECURITY

Question: How would you evaluate South Korea's contribution to defense and to East Asian regional security?

Answer: South Korea's contribution to their own defense is substantial and ranks along with the best efforts of our allies. Their capability adds to stability in the Northeast Asian region. ROK defense expenditures have been consistently between five or six percent of annual GNP. As the economy of the Republic has grown, this has amounted to a substantial amount of funding. This expenditure has only recently surpassed the amount that the North Koreans have spent on defense. Given the threat of the North Koreans to the Republic of Korea and the potential involvement of other regional powers in any North-South conflict, the continued deterrence of the North is a major element in the defense of allied interests in the region and in promoting regional stability.

RELOCATION OF YOUNGSAN/TEAM SPIRIT

QUESTION: Is the South Korean government willing to shoulder the costs of any relocation of the Yongsan base?

ANSWER: The U.S. position is that the ROK Government must pay all costs associated with relocating U.S. military facilities from Seoul. U.S. Forces, Korea is presently drafting a Memorandum of

Agreement (MOA) concerning relocation that contains this provision. Signing of the MOA will represent formal acceptance by the ROK Government of the requirement to fully fund the relocation.

QUESTION: What percentage is paid for by the South Korean Government?

ANSWER: It is the U.S. position that the ROK Government must pay all of the costs of relocation.

QUESTION: In view of President Bush's proposed defense budget with no real growth, are there opportunities to reduce the cost of TEAM SPIRIT?

ANSWER: If it becomes necessary to reduce the cost of TEAM SPIRIT, we will have to focus on the costs of deploying units from the Continental U.S. to participate in the exercise. Unlike units that participate in NATO exercises and already have equipment prepositioned in Europe, units deploying to Korea must bring all of their equipment. Although we are not yet sure of the exact effect of the proposed defense budget on TEAM SPIRIT, we are looking at options that include reducing the number of maneuver elements that accompany unit headquarters. This would provide savings in both airlift and sealift, with the least impact on the joint and combined training of the headquarters elements. It would adversely impact the individual soldier's opportunity to train in the environment in which he may be called upon to fight, but would have the least impact on the unit headquarter's ability to integrate into the Korean environment.

ROLE OF JAPAN IN NORTHEAST ASIA

Question: Can you tell us what role Japan would currently play in the event of an outbreak of hostilities between North and South Korea?

Answer: As a signatory of the Charter of the UN, Japan has pledged to assist UN forces engaged in any UN actions. GOJ facilities are designated and would be available for use in a UN action.

Question: If Japan were to assume greater independence from the U.S. defense umbrella, to what extent is it in their own defense interest to aid South Korea in repelling aggression from the North? Should they be expected to take-over the peacekeeping role in Korea?

Answer: Independence from the U.S. defense umbrella does not include extending the Japanese self-defense areas of interest onto the Korean Peninsula. Article 9 of the Constitution limits Japanese capability to the minimum necessary for strictly self-defense. The necessary minimum force to defend Japan employed in the execution of her right to self-defense is not necessarily confined to the geographic scope of the Japanese territorial land, sea and airspace. We have encouraged Japan to provide for her own defense out to 1000 nm. Nevertheless, the Government of Japan believes that the Constitution does not permit it to dispatch forces carrying arms to foreign territorial land, sea and airspace for the purpose of using force, because such deployments of troops overseas generally goes beyond the minimum limit necessary for self-defense. Japan cannot be expected to take over the peacekeeping role in Korea. Article 9 of the Constitution provides that "the right of belligerency of the state will not be recognized". Providing forces to keep peace in Korea is looked at unfavorably by the GOJ. Further, it is very unlikely that such a proposal would be well-received in Korea.

NUCLEAR BALANCE IN THE PACIFIC

Question: In assessing theater nuclear forces, more attention has been devoted in recent years to the European theater than to the Asia/Pacific theater. Outgoing Secretary of Defense Carlucci's annual report to Congress for FY 1990 states that, in East Asia, "The theater nuclear balance favors the Soviets in all areas, including number of warheads, number of delivery platforms, and range capability." A recent press report (Washington Post, January 28, 1988, p. A6) states that, according to Pacific Fleet Commander Admiral David Jeremiah, the Soviets have recently deployed an additional ballistic missile submarine to the Pacific and thereby broken a pledge made months earlier by Soviet President Gorbachev not to increase the number of nuclear weapons in the Pacific. What are the figures on the Asia/Pacific theater nuclear balance? Please provide figures on U.S. and soviet number of warheads, number of delivery platforms, range capability, and any other significant measures. How have these figures changed in recent years?

Answer: (Deleted.)

Question: Would you favor a U.S.-Soviet agreement limiting or reducing theater nuclear forces in the Asia/Pacific area?

Answer: (Deleted.)

Question: What effect might such an agreement have on force-level and budgetary requirements for U.S. conventional forces in the Asia/Pacific area?

Answer: The majority of the nonstrategic nuclear forces in the Pacific consists of dual-capable aircraft (DCA). A reduction of nonstrategic nuclear weapons would not have any impact on the required force levels for conventional warfare since the primary mission for DCA forces is conventional. The Navy Tomahawk Land Attack Missile (TLAM) has both a conventional and nuclear variant. Basically, the same installations are targeted for both conventional and nuclear weapons. No increase in conventional forces is envisioned, since sufficient nonstrategic nuclear weapons would remain for deterrence, and, should deterrence fail, for warfighting.

F-15E'S IN KOREA AND WESTERN PACIFIC CARRIER REQUIREMENTS

Question: Outgoing Secretary of Defense Carlucci's annual report to Congress for FY 1990 states that, in East Asia, "our ability to attack Soviet air power on the ground early in the war would be constrained by U.S. strike aircraft range limitations." A recent press report (Navy News & Undersea Technology, February 6, 1989, p. 1, 3) states that the Air Force is planning to station a wing of about 72 of its new F-15E strike fighters at Kunsan Air Force Base in South Korea and Clark Air Force Base in the Philippines starting as early as 1992. The report further states that the stationing of F-15Es in Korea "could undermine the Navy's mission for the aircraft carrier Midway, homeported in Japan." The Midway's airwing contains only 52 F/A-18 and A-6E strike aircraft, and some the F/A-18s are needed for air defense of the carrier and its battle group companions. The Midway's operational capability, moreover, is now reduced by improperly designed hull blisters installed in 1986. The Navy last year did not request funding to fix this problem. Congress last year explored a proposal to retire the Midway in 1992 rather than in 1997, as the Navy now plans. Is this press report accurate?

Answer: No.

Question: If not, in what ways is the report in error?

Answer: (Deleted.)

Question: Would the stationing of a wing of F-15E strike fighters in Korea or the Philippines or in both countries eliminate the need to maintain an aircraft carrier forward-homeported in Japan or elsewhere in the Western Pacific, or reduce the requirement for forward deployments of aircraft carriers to the Western Pacific?

Answer: No.

Question: If not, why not, and what purpose then would these F-15Es serve?

Answer: F-15Es are used for long-range power projection from fixed bases. Carriers use their mobility for tactical advantage and survival and may not be in range to strike the enemy at all times.

Question: Do you still support CINCPAC's testimony of last year that "Obtaining authorization to restore the Midway to fully operational status stands as a high priority for the Pacific Command?"

Answer: Yes.

IMPACT OF PERSIAN GULF DEPLOYMENT ON PACIFIC OPERATIONS

Question: Much of the Navy's heightened presence and level of operations in the Indian Ocean/Persian Gulf region in 1987 and 1988 was maintained by Pacific-fleet ships. Pacific-fleet ships and aircraft deployed to the region were not available for duty elsewhere, and remaining ships and aircraft in the Pacific had their steaming days and flying hours limited to help contain overall costs. In assessing the requirements for maintaining overseas deployments, the usual rule of thumb is that one must have three ships in inventory to maintain one continuously deployed at a forward position overseas, the other two being in overhaul, training or transit. The Indian Ocean/Persian Gulf region is so far away from the United States, however, that one must have four or even five ships in inventory to maintain one continuously on station in that region. The outgoing commander of the U.S. 3rd Fleet in the Pacific, Vice Admiral Diego Hernandez, recently said that "The Persian Gulf took a tremendous number of ship days away from the time that's available for us to operate." (Jane's Defense Weekly, December 10, 1988, p./ 1487.) Congress provided an extra $100 million for incremental Persian Gulf costs in FY 1988, but total incremental costs were $116 million. The remaining $16 million was to be taken out of planned maintenance. To what degree did the Navy's heightened deployment to the Indian Ocean/Persian Gulf region in 1987-88 affect the ability of the Pacific Command to maintain traditional levels of presence in the Pacific and to carry out planned exercises, readiness training, port calls, and maintenance in the Pacific? Please provide statistics and details to help illustrate your answer.

Answer: Our operations in the Gulf have been essential to freedom of navigation and to the free flow of oil from the Middle East to the U.S. and our friends and allies. The U.S. undertook this effort with full knowledge that there would be an adverse impact on other areas of operations. The effects of restricted budgets, on top of this concentrated effort in the Gulf, have caused the Pacific Fleet to curtail or eliminate a number of operations and exercises and to implement other cost-saving actions. Our presence in the U.S. Pacific Command has not decreased; however, our operations have been affected in the areas you addressed.

(Deleted.)

GROWTH OF INDIAN POWER PROJECTION FORCES

Question: In recent years India has developed a substantial capability to project power into the Indian Ocean region, and it is beginning to use this capability. In November 1988, India stopped an attempted coup in the Maldives by rapidly airlifting troops in Soviet-designed transport planes to the Maldive capital of Male, and by using two of its surface combatants to intercept and board a ship sailing from Male with rebel troops aboard. Indian Mirage 2000 fighters also reportedly overflew some of the Maldive islands. Before that, India sent a sizeable contingent of troops to Sri Lanka to help quell growing factional violence there. The Indian Navy operates two aircraft carriers and recently leased a nuclear-powered cruise-missile-capable attack submarine from the Soviet Union, with the reported intent of acquiring additional nuclear-powered submarines from the Soviets in the future. It has a naval and air facility at Port Blair in the Andaman Islands south of Burma, and is reportedly building, with help from Soviet engineers, a naval and air facility at Great Nicobar Island at the western end of the commercially vital Strait of Malacca. A major general in the Indonesian armed forces alleged that India has allowed Soviet submarines to use the facility on Great Nicobar. (Jane's Defense Weekly, October 4, 1986, p.703; Defense & Foreign Affairs Weekly, September 29 - October 5, 1986, p.3.) And just two months ago, the Indian Navy was reported to have offered to train the naval staff of the government of the Seychelles islands in the southwest Indian Ocean. (Jane's Defense Weekly, January 7, 1989, p. 8.) What implications do India's new capability and willingness for power projection in the Indian Ocean have for U.S. force-level requirements and military strategy there?

Answer: (Deleted.)

Question: What will be the possible future implications if Indian power projection forces continue to grow over the next several years at the rate they have over the past several years?

Answer: (Deleted.)

PACIFIC AND INDIAN OCEAN NAVAL ARMS CONTROL

Question: Soviet leaders since 1986 have made numerous proposals for various forms of naval arms control. Now that naval forces have been excluded from the first round of the European Conventional Stability Talks, the Soviets have begun to put added emphasis on their proposals for agreements to limit naval forces and operations in the Pacific and Indian Oceans. The U.S. and Soviet governments conducted negotiations on naval limitations in the Indian Ocean, without agreement, in the Naval Arms Limitation Talks (NALT) of the latter 1970's. Given recent changes in Soviet external policy and U.S.- Soviet/East-West relations, what potential is there now for naval arms control in the Pacific or Indian Oceans, or both?

Answer: U.S. and allied arms control policy excludes naval forces from conventional arms reductions talks for good reason. Our national security strategy relies on ready, forward-deployed maritime forces capable for furthering national and alliance security objectives, not only in the context of long-term competition with the Soviet Union, but also regarding other major interests outside of that competition.

Nowhere are those 'Other interests" more dramatically illustrated than in the Pacific and Indian Ocean:

- 7 of the world's 10 largest armies are in countries bordering my Area of Responsibility (AOR)...and only one of those is the USSR.
- 7 of our 10 most important alliances are in the Pacific...and our responsibilities to those alliances are independent of the size of the Soviet Army.
- 36% of the world's trade is with Pacific rim nations...and the security of that trade relies on maritime security.

In the Pacific and Indian Oceans, I see no U.S. advantage to be gained through naval arms reduction at this time. Our security posture would be weakened. The loss of our access and influence could be immeasuable. Soviet asymmetrical force reduction proposals produce asymmetrical results..the USSR wins economic respite while the United States abdicates Pacific responsibility and influence.

Question: What specific key features would such a naval arms control agreement require to be acceptable to you?

Answer: Any arms control agreement should make the United States more secure than we are in its absence. I do not believe that under the present circumstances a naval arms control agreement in the Pacific is practical. Nevertheless, the characteristics I would look for in a naval arms control agreement:

- The theme that genuine stability is provided by a deterrent posture grounded in historical and natural strengths.
- The recognition that the United States derives credible deterrence from naval power.
- The notion that mobility and flexibility are inherent requirements for the credible application of naval force.

Characteristics of an agreement we should avoid are limits on our ability to:

- Protect U.S. security interests in the Theater
- Respond in a crisis in a flexible manner
- Reinforce our own or allied forces
- Maintain an advanced technological and modern industrial base.
- Operate freely in international waters.

SOVIET OUT-OF-AREA DEPLOYMENTS

Question: The Navy testified last year that the Soviet ship-days away from home waters -- known as out-of-area (OOA) deployments — declined 6% in 1987. This was the third straight year in which Soviet OOA ship-days declined, the peak figure having been registered in 1984. Did this decline continue in 1988? Please provide figures for U.S. and Soviet ship-days (and, if possible, tonnage-days, which may be a better measure) in the Pacific Ocean and (separately) in the Indian Ocean for each year since 1978.

Answer: (Deleted.)

Question: Does this decline in Soviet OOA ship-days make possible a reduction in the requirement for U.S. Navy overseas ship-days in the Pacific Oceans? If so, how substantial is this reduction, and what are the cost savings associated with it?

Answer: Our OPTEMPO requirement of   days per quarter for deployed ships and   days for non-deployed ships is the minimum training level needed to maintain readiness. Our best deterrence is to keep adequate forces postured and ready to defend against acts of aggression. Our presence reassures our Pacific allies and friends that we'll be around to keep the peace and protect the sea lines of communications vital to their well-being. My highest priority is defending our homeland, and my job is easiest while we and our friends maintain the preponderance of force in the Pacific.

NEED FOR ADDITIONAL C-130 AIRCRAFT

Question: How does the Naval Air Reserve support the Pacific/Atlantic Fleet wartime and peacetime logistics requirements?

Answer:

(Deleted.)

Question: What are the required cargo loading characteristics and flight parameters of a medium/heavy lift aircraft?

Answer: In general terms, a tailgate/ramp-loading aircraft compatible with existing materials handling systems, with an unrefueled, overwater ferry range of 3000 NM. Payloads of up to 30,000 lbs of oversized material are desired.

Question: Would you say the term "medium/heavy" lift would apply to a C-130 category of aircraft?

Answer: Yes, but I should point out the range payload and interior dimensions prescribe very definite limits on overall capability. For example, the C-130 aircraft is designed to carry oversized, but not the larger outsized cargo. A good mix of aircraft gives us a variety of capabilities.

Question: Is the C-130 mentioned in the Center for Naval Analysis (CNA) Study?

Answer: Although C-130 aircraft are mentioned in the CNA study, the study did not specifically look at C-130 aircraft. The aircraft types cited in the study provided a means to estimate the level of support required to satisfy the Navy's requirement for organic airlift. The study did not attempt to identify the best model of aircraft necessary for mission requirements. The specific aircraft types cited were used because they are, or will be by 1990, in the U.S. Navy's inventory.

Question: What according to the CNA Study, is the total wartime readiness requirement for C-130 category aircraft? What is the current inventory?

Answer: According to the study, the U.S. Navy's worldwide requirement for C-130-type aircraft in 1991 will be 29 aircraft; the Pacific share of that requirement will be 11 aircraft. Currently, the Pacific inventory consists of 39 C-130 aircraft but only three of these are available for full time use as airlifters. The remaining 36 C-130s are configured as operational aircraft designed for specific missions other than airlift such as aerial refueling, strategic communications and drone launch. One additional C-130F will be assigned to the Pacific for airlift use later this year.

Question: Would an increase in Naval Air Reserve productivity corresponding with the introduction of C-130's in the Naval Air Reserve increase the wartime logistics readiness of the Pacific/Atlantic Fleet?

Answer: Any increase in Pacific Fleet logistics support aircraft, whether in the active or reserve fleet, would certainly benefit wartime logistics readiness in the Pacific.

QUESTIONS SUBMITTED BY SENATOR HARKIN

RECONNAISSANCE CAPABILITIES

Question: As I stated during the hearing, John Lehman indicated when he was Secretary of Navy that the Soviet RORSATs laband EORSATs could be handled by using electronic jamming and maneuvering to avoid their limited coverage. He said:

"The results of the major fleet exercises we have run in the last two years give us some confidence that we know how to cope with those kinds of collectors."

Do you still agree with this assessment that we could cope with RORSTATs and EORSTATs?

Answer: We continue to feel that the rate at which we gain fleet experience and capabilities against these Soviet systems, probably exceeds their capability to provide surveillance information against our tactical fleet assets.

Question: Which is more important to you as CINCPAC: The surveillance and intelligence information supplied by our satellites, or the potential revelation of fleet positions produced by RORSTATs and EORSTATs to the Soviets?

Answer:

(Deleted.)

Question: If you had to choose, would you prefer a world without dedicated ASAT weapons on either side or a world where both sides had quick acting, high capacity ASAT capabilify and both U.S. and Soviet reconnaissance satellites were at risk.

Answer: Ideally, a world without the requirements for ASAT would be desireable. However, until we have demonstrated a U.S. ASAT capability at least as robust as the Soviets capability, I would be remiss in making a recommendation not to continue to develop a realistic, tactically responsive system.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

SECURITY RELATIONSHIP WITH JAPAN

Question: Admiral Hardisty, I'd like to follow-up on the portion of your statement on the U.S. security relationship with Japan. Can you tell us what the current situation is regarding revisions to the "Status of Forces Agreement" with Japan.

Answer: The Japanese Government has not approached the United States concerning revisions to the Status of Forces Agreement. Such revisions would be contrary to U.S. interests and would put at risk the benefits from existing provisions for the Status of Forces Agreement.

Question: Admiral, in what roles and missions should Japan be expected to take a greater part in securing their own sovereignty and that of the region?

Answer: Current roles and missions in which the U.S. and Japan cooperate in patrolling the sea lanes and air space of the northeast Pacific are very satisfactory to both parties. Future Japanese defense efforts are properly based on the acquisition of additional weapon systems and improved sustainment to better fulfill these assigned roles and missions.

Question: Admiral Hardisty, If, God forbid, a shooting war began in Europe between the forces for NATO and the Warsaw Pact, how confident are you that Japanese bases would be available to the United States to support a second front against the Soviets?

Answer: A war in Europe between the forces of NATO and the Warsaw pact will, in all likelihood, include combat action between U.S. and Soviet forces in the Pacific. The role that Japan assumes will be heavily influenced not only by U.S. actions and those of the Soviet Union, but by Japanese perceptions of how their own interests are best served.

(Deleted.)

Should the crisis deteriorate into conflict, Japanese and United States interests will be identical. Japan is a strong and reliable ally and can be expected to fulfill its treaty responsibilities.

FSX

Question: Admiral, your statement mentions the upgrade of high performance interceptors by the Japanese as being one of the prerequisites they must fulfill in order to meet a commitment to their share of the regional defense. Is the FSX deal, now under the consideration between the U.S. and Japan, a part of this prerequisite and shouldn't the same desired capability be more quickly achieved if F-16's were bought directly "off the shelf" instead of through the proposed FSX development program which would not deliver all the aircraft until after the turn of the century?

Answer: The FSX is an important part of the force necessary for Japan to have the capability to fulfill agreed roles and missions. The FSX is planned as a mid-1990 replacement for their current close air support fighter, the F-1. An off-the-shelf F-16 would not meet performance standards for the post-90 threat. It is not a practical solution. Since 1955, Japan has license produced U. S. fighters (F-4, F-15). The GOJ designed and produced the F-1, the aircraft the FSX is designed to replace. The FSX will be a technically superior aircraft, able to meet the 1990's plus threat.

SUBCOMMITTEE RECESS

Senator **Harkin**. The subcommittee will now recess until Tuesday, February 28 at 9 a.m., when we will continue our hearings with the CINC's. Gen. Norman Schwarzkopf, the Commander of the U.S. Central Command, and Duane Cassidy, Commander of the U.S. Transportation Command, will testify on Tuesday.

The subcommittee will now stand in recess. Thank you.

General **Menetrey**. Thank you very much, sir.

[Whereupon, at 12:13 p.m. Thursday, February 23, the subcommittee was recessed to reconvene at the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

TUESDAY, MARCH 7, 1989

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 3 p.m. in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Sasser, Bumpers, Harkin, Stevens, and Kasten.

DEPARTMENT OF DEFENSE

U.S. ATLANTIC COMMAND

STATEMENT OF ADM. FRANK B. KELSO II, USN, COMMANDER IN CHIEF, U.S. ATLANTIC COMMAND

OPENING STATEMENT OF SENATOR INOUYE

Senator INOUYE. The meeting will please come to order.

Before I proceed the record should note that this is an open meeting, Admiral.

Second, I wish to convey to you regrets from Senator Stevens, he will be here shortly, but at the present time he is very deeply involved in the nominating process of the Secretary of Defense.

This afternoon, the subcommittee will hear from Adm. Frank B. Kelso II, Commander in Chief of the U.S. Atlantic Command.

Admiral Kelso's command encompasses the Atlantic Ocean, the Caribbean, the Gulf of Mexico, and the Pacific coast of Central and South America.

If war were to break out in Europe, Admiral Kelso would oversee our efforts to defeat the Soviet Navy and insure that equipment, supplies, and reinforcements transit safely.

Almost all Atlantic maritime forces would be placed under his command.

World War II highlighted the importance of maritime control to prosecuting the war overseas successfully. The American and British victory over German submarines during the battle of the Atlantic was essential to the Allied victory over Nazi Germany.

Similarly, Japan's failure effectively to counter American submarine operations in the Pacific had a devastating impact on its ability to retain control of its conquests.

Few individuals appear to be more well-qualified to discuss maritime defense issues with this subcommittee than Admiral Kelso.

His career had included both serving on Navy cargo ships and commanding attack submarines. He has commanded fleets in both the Mediterranean and the Atlantic. In his various assignments and commands he has witnessed significant advances in the Soviet threat to our merchant marine. At the same time, the size and capabilities of the American merchant marine fleet have declined.

Admiral Kelso, we deeply appreciate your taking time to be with us this afternoon to discuss issues affecting your command.

We have received your statement. I have looked it over, and the record will include your full statement, and please feel free to proceed as you wish, sir.

SUMMARY OF STATEMENT

Admiral KELSO. Thank you very much, Senator. I appreciate very much the opportunity to be here with you. And I have a short summary of my statement that, with your permission, I will read into the record.

I am certainly pleased to have this opportunity to participate this afternoon. I appreciate my statement being entered into the record. That statement addresses the current military strategy in the Atlantic Command, our forces, and my priorities and concerns.

I hope it will not only give you a good appreciation of my area of responsibility, but also contribute to your ongoing examination of the relationship between the stated goals of our national strategy and the resources that must be allocated to national defense to achieve those goals.

This is my first appearance before the distinguished members of this committee as Commander in Chief Atlantic.

READINESS OF ATLANTIC COMMAND

And it is in that capacity that I report to you that the readiness and capability of the Atlantic Command has never been better. Our operational forces have benefited from tremendous improvements during the past decade. And, as a result of the significant commitment to defense by our political leaders with the support of the American people, we have recovered from the neglect of the 1970's, a bleak period when, at times, we had ships that were unable to get underway, a period when aircraft readiness suffered because of too few spare parts and trained maintenance personnel, a period when morale sank to a historic low. It is essential, in my view, that we protect these substantial gains of the 1980's.

In preparing my remarks, I was struck by some of the common threads that are woven into both my statement and those of my predecessors.

At the same time, I am certainly aware that there may exist a greater prospect now than a year ago for a lessening of tensions between East and West. There is greater optimism for progress in arms control and in many other matters which historically have been a source of friction.

CHANGES WITHIN SOVIET SYSTEM

Certainly changes are taking place within the Soviet system, but the extent and the duration of those changes are unknown. We can watch and we may hope for improvements in the way we do business, but we live in a dangerous, unpredictable world.

And today's military realities are not as responsive as some political projections of the future would have you believe. While there has been a reduction in the number of Soviet out-of-area naval operations, the Kremlin has aggressively pursued naval construction programs, which included manned submarines, surface combatants, and aircraft carriers.

GROWING SOVIET MILITARY CAPABILITIES

In fact, Soviet military capabilities continue to grow across the board.

We are seeing front-line Soviet naval units forward on the Kola Peninsula, adjacent to the Barents Sea. We have seen their Yankee strategic submarines at times, once again, on patrol of the Western Atlantic.

Strategic warheads at sea are increasing as they employ new and more advanced systems.

So I would like you to understand that I am not oblivious to the reassuring prospects which are capturing headlines. But, as a unified commander, I must be a realist and pragmatically approach my command responsibilities based upon what is observed rather than what we might hope.

And today, the Soviet Union stands as the only nation able to present a serious military threat in my area of responsibility. Until we see real and substantial reductions in their military capability, I believe we must remain ready to meet the challenge at hand. To look to this task, forms the essence of my duties as a unified commander.

Again, I thank you for allowing me to appear before this committee. Your strong support for the Armed Forces over the past few years has been instrumental in the significant, positive change that we in uniform have experienced and I believe most of you have observed.

Mr. Chairman, I will be very happy to try to answer your questions.

[The statement follows:]

STATEMENT OF ADM. FRANK B. KELSO II

INTRODUCTION

Mr. Chairman and members of the Committee, I appreciate your invitation to discuss the Atlantic Command and the important part it plays in our National security. As this is my first appearance before this committee as USCINCLANT, I hope to give you a good appreciation of my area of responsibility, explain our strategy with present and programmed military forces and to discuss strengths and areas of concern in the Atlantic Command.

In preparing this statement I was struck by its similarity with statements of my predecessors; while at the same time recognizing the general feeling in the United States and in Europe that progress has been made toward resolving some of the issues causing friction between the United States and the Soviet Union. An improvement in the way we do business is, in my judgment, good for the entire world.

However, in spite of the rhetoric, I must approach my command responsibilities based on the military threat which is possible and observed. While there has been a reduction in Soviet out-of-area naval operations, there has not been a reduction in existing naval forces or a decrease in new construction of naval combatants, support ships and aircraft; and, in fact, we have seen a deployment of frontline Soviet naval aviation units to forward areas in the Kola Peninsula, adjacent to the Barents Sea; and Yankee strategic submarines have resumed patrols in the Western Atlantic. So, I would like you to understand I am not oblivious to what is making front page news; but, as a military commander, I must be a realist and pragmatist and prepare for the observed threat or challenge. I believe that is what you wish me to do.

I sincerely hope the tensions in our world will continue to decrease. But, until we see a change in the military capability of the only nation able to provide a serious challenge within my area of responsibility we must remain prepared to meet that challenge. I strongly believe forty years of preparedness to meet that challenge is a major reason for the encouraging developments now underway in the Kremlin.

ATLANTIC COMMAND

The Atlantic Command is primarily a maritime command. It encompasses the entire Atlantic Ocean, the Caribbean and Gulf of Mexico. In addition, it includes waters in the Pacific adjacent to Central and South America. The Atlantic Sea Lines of Communication (SLOCs) are a major link between the United States and the rest of the world. Through this area pass many of the strategic raw materials, petroleum and finished products which are the foundation of world trade. And it is over these same SLOCs that reinforcement and resupply shipping must flow in the event of conflict, of whatever intensity, in Europe, the Middle East or Africa.

I cannot overstate the importance of the Atlantic to the U.S. and our NATO allies. In a conflict with the Soviet Union, my responsibility is to support the land campaign in Europe by ensuring the safe and timely flow of personnel and equipment over the SLOCs, and by the direct application of combat power in support of the land campaign.

Failure to keep open this link to Europe would ensure defeat of Allied ground forces in Europe. Regardless of how well our ground and air forces would fight, the seaborne flow of equipment and supplies is absolutely essential to sustain the battle. This has been clearly demonstrated in two world wars.

STRATEGY IN THE ATLANTIC

Recognizing the challenge we face in the Atlantic, both the U.S. and NATO long ago adopted a maritime strategy based upon the principles of forward defense and containment. Forward defense, simply stated, means that in conflict our best means to defeat the Soviet Navy, defend the Northern Flank of NATO and maintain an unbroken link with Europe is through the early movement of naval forces to the North Atlantic and Norwegian Sea. If such a movement can be accomplished prior to the outbreak of hostilities, it would strongly signal our resolve to protect our interests, hopefully deter war; and, if conflict arose, place us in a position to fight effectively.

The advantage of forward defense is that if we are unable to deter war, then our forces will be in position to fight and to contain the majority of the Soviet Navy in waters far north of the Atlantic sea lines of communication. If we can fight there, containment is far simpler than it will be if the Soviet Navy were able to reach the open Atlantic south of Iceland. We do not have sufficient forces to simultaneously support the Northern flank and adequately defend shipping against a Soviet Navy deployed in large numbers throughout the Atlantic. Forward defense minimizes this numerical weakness, while at the same time capitalizing on Soviet geographical disadvantages. The Soviet road to the open ocean is narrow, fifteen hundred miles across the Norwegian Sea, and adjacent to a network of NATO eyes and ears.

Of great importance to success in a battle for the Atlantic is our ability to operate from NATO facilities both in Iceland and in Norway. If we were to lose North Norway and Iceland, our position in the Norwegian Sea would be untenable; Soviet forces would have easy access to the open Atlantic; and ports in the United Kingdom and northern Europe would be vulnerable to Soviet air attack from occupied forward bases in Norway. Again, the early movement of forces would deny the Soviets such opportunities.

U.S. FORCES

While we lack forces in sufficient number to execute all wartime tasks simultaneously, the readiness of the active forces remains high. The overall quality of ships and aircraft is superior to that of the Soviets. In quantity and quality of forces, we continue to reap the benefits of the increased funding provided during the first half of this decade; however, the rate of improvement has slowed or halted. Zero or negative growth will have its impact downstream. We may be beginning to see the first signs that equipment and supply readiness have peaked.

The 315 active and reserve ships of the Atlantic Fleet are operating at unprecedented peacetime levels. While the Iran-Iraq cease fire has allowed a moderate reduction in forces assigned to the Joint Task Force Middle East, our Indian Ocean and other worldwide commitments show no sign of decreasing. Thus far, the Navy has been successful in the very important effort to limit deployment length to a maximum of six months and assure our sailors a minimum of fifty percent time in homeport over the course of a normal operating cycle. This policy, essential to retention of quality personnel, is possible because the growth of the fleet in the eighties has provided the capability to meet our commitments and give the American sailor more time at home. We must adhere to the commitment of a fully manned, modern Navy to avoid a return to the situation we faced in the 1970's, when we wore out our equipment and people and experienced a tremendous loss of capability to meet national requirements.

In addition to CINCLANTFLT, the Army and Air Force also provide significant forces for the defense of Iceland and the Azores. Particularly important are the USAF F-15 Interceptors and E-3 AWACS permanently stationed in Iceland.

ALLIED FORCES

Within the Allied Command Atlantic, non-U.S. NATO forces provide over forty percent of the destroyers and frigates, nearly one-quarter of the nuclear attack submarines and maritime patrol aircraft, all of the general purpose submarines and the only two ASW carriers. European nations provide virtually all of the mine countermeasures ships and nearly one-half of the reinforcement and resupply shipping. Our NATO allies are absolutely essential to cope with the 350 Warsaw Pact Northern and Baltic Fleet submarines and surface combatants that can oppose us. The existence of NATO and the contributions of our European Allies to the common defense allow the U.S. to maintain a smaller Army, Navy and Air Force than would otherwise be prudent. If war were ever to occur with the Soviet Union, U.S. success would be inexorably tied to the substantial contribution made by our Allies.

OPERATIONAL DEFICIENCIES

Forces.—We lack forces in sufficient numbers to execute all wartime tasks simultaneously. With respect to maritime forces:

—Early wartime availability of adequate numbers of Carrier Battle Groups is questionable. Specifically, we need a minimum of four Carrier Battle Groups in the Atlantic; CINCEUR needs four in the Mediterranean. Currently only six carrier battle groups are available to support the collective requirements for eight. Overall, our wartime naval fleet disposition calls for fifteen deployable Carrier Battle Groups to provide the minimum essential level of capability to CINCPAC, CINCEUR and CINCLANT.

—Within USCINCLANT there is currently a shortfall of about thirty surface combatants to meet Battle Group and Task Force war plan requirements.

—In time of general war, the quality and quantity of MCM assets are inadequate to execute timely port breakout and support for amphibious operations.

—Although the first LHD (WASP) will be delivered this Spring, we will remain unable to fully execute CINCEUR's wartime requirements for amphibious lift.

—Carrier and battleship battle groups, when fully employed, cannot be fully supported with combat logistics force support ships.

With respect to the USCINCLANT Army component (ARLANT), the existing air defense artillery capability is being deleted this fiscal year; no substitute is planned. Also, in spite of aggressive cross-leveling and redistribution, combat support and combat service support units have serious shortfalls and lack essential theater stocks and medical equipment.

While some of these basic force shortfalls could be satisfied through reapportionment or reassignment of forces, this would result in inadequate forces for other theaters and warfare tasks.

Sustainability.—The logistics sustainability of Atlantic Command forces continues to improve as we receive deliveries of munitions and spare parts from prior year funding. While the Atlantic Fleet is today deploying fully ready Battle Groups, there are shortfalls in preferred munitions for the greater number of Battle Groups required in wartime. Shortfalls are primarily in air-to-air and anti-radiation missiles, torpedoes, sonobouys, and weapon handling equipment.

Air Force ordnance sustainability for the Atlantic Command continues to improve, both in level of effort and threat munitions. But, like the Navy, there are still shortfalls in preferred munitions. In spite of reduced funding for replenishment spares over the past few years, Air Force sortie estimates virtually match wartime requirements. This is directly attributable to the full funding in fiscal year 1985, up to three-year procurement lead time and carry over of existing repairable spares. However, as a result of funding reductions experienced during the past 4 years, the projected wartime sortie generation capability in the fiscal year 1990–94 time frame shows a decline.

Command, Control, Communication, Surveillance, Intelligence, and Electronic Warfare.—There have been significant improvements in these areas, particularly in the past 2 years, but deficiencies remain in the following broad categories which are critical for all phases of joint operations (planning through execution):

—Survivable, interoperable, secure anti-jam communications.

—Assimilation and correlation of information.

—Surveillance systems.

—Strategic connectivity.

Operational deficiencies in electronic warfare are centered on delays in getting existing technology and capability fielded in adequate numbers.

PRIORITIES

Personnel Readiness.—My highest priority is for programs that support people—our most perishable asset. The superb readiness condition of our forces today is in great measure a result of the remarkable dedication and morale of the young men and women in the Armed Forces. The strong support of the previous administration and Congress to provide sufficient pay and benefits to these dedicated young people is in no small measure responsible for their morale and their clear understanding that the American people support and admire their efforts. I thank you for this support and ask your continuing support for adequate pay and the quality of life programs so necessary for retention of these magnificent young people in uniform.

Fair and competitive levels of military compensation are essential to our ability to recruit and retain skilled, dedicated and productive people. We need to pay our people in uniform wages that are commensurate with what they can earn in the civilian sector. Despite the 4.3 percent pay raise approved for fiscal year 1989, we still have a 10.1 percent comparability gap as a result of military pay raises being capped below the average private sector wage increases since 1982. We must maintain a military compensation program that can compete with other employment alternatives. I ask for your support of the 3.6 percent fiscal year 1990 pay raise as submitted in the President's Budget.

I also ask your support for the modest end strength increases included therein. For several years Navy end strength was not allowed to increase with force structure growth. In order to fully man the Atlantic Fleet, we have had to draw down on shore establishment manning. Without end strength increases, the sea-shore rotation of our sailors (the majority of whom spend more than 55 percent of their careers on sea duty) will be adversely impacted.

The most effective tool currently available to achieve Navy end-strength and maintain high experience levels in certain mission critical skills is the Selective Reenlistment Bonus (SRB) program. For example, retention of enlisted supervisors (E4–E9) in nuclear power surface ships improved from 35 percent in fiscal year 1982 to 54 percent in fiscal year 1987 as a direct result of SRB. However, the best example of the effects of SRB is seen when comparing reenlistment rates for mission critical skills between first quarter fiscal year 1987 when there was SRB, and the first quarter fiscal year 1988, when there was no SRB authority.

[In percent]

	Fiscal year— 1987	Fiscal year— 1988	Change
First term	52.3	35.5	−16.8
Second term	69.4	45.8	−23.6

As shown, the SRB program results in a direct and significant impact on retention. This program must continue, without disruption, if we are to successfully retain highly skilled and trained individuals.

In our officer corps, both the Air Force and Navy continue to experience a severe exodus of experienced pilots. High pilot losses in certain aviation communities jeopardize combat readiness. In order for the military to remain competitive and to retain critically needed officers, existing monetary incentive programs such as Aviation Career Incentive Pay (ACIP) and Aviation Officer Continuation Pay (AOCP) should continue to receive your support. Similarly, we continue to experience retention problems with nuclear trained naval officers. Although there is still a 20-percent mid-grade shortage, we anticipate this to be reduced significantly as a result of recently authorized enhanced nuclear officer incentive pay contract amounts.

Material Readiness.—The outstanding condition of our forces also reflects prior year commitment to funding of spare parts, operational training, depot level maintenance, modernization and facilities maintenance. The funding for these operation and maintenance accounts invariably is the first to be impacted by reductions in defense spending. The full effect of reduced funding in these areas is not reflected immediately in unit readiness. It takes time for ships, aircraft squadrons and battalions to draw down on spare parts stock levels, and for personnel proficiency and equipment reliability to decline. President Reagan's budget attempts to preserve our hard earned readiness gains within the context of overall reductions. Even so, it is a fact that readiness in the Atlantic Command has leveled off and the positive trend of the past few years will likely reverse.

ASW.—My top warfighting priority is to maintain our anti-submarine warfare capability in the face of the rapidly improving quality of the Soviet submarine threat. The Soviets are incorporating quieting technology in every new and overhauled submarine, and this has seriously reduced our ability to detect them.

While we are still slightly ahead, the Soviet quieting trend Indicates their best may soon equal ours. This technological breakthrough, coupled with a Soviet production rate of about 9 new submarines a year, means that in ten years nearly one-third of the Soviet force—100 submarines—will be equipped with their modern quieting technology. Compare this to our projected 1998 SSN force of about 100, two-thirds of which will be more than 10 years old. Failure to regain our previous margin of submarine technological superiority would place in jeopardy our ability to prevail in a war with the Soviets. The fiscal year 1990-91 budget supports a balanced ASW program that includes the necessary investment in ASW research and development and keeps the SSN-21, P-3 Modernization, Surface ASW Improvements, Fixed Distributed System, DDG-51 and torpedo programs on track.

Sustainability.—We must continue to address specific sustainability shortfalls that would hinder our ability to conduct operations in a prolonged war. The most serious concerns, all partially funded to meet required inventories, are:

—air-to-air missiles (AMRAAM; PHOENIX)
—anti-radiation missiles (HARM)
—torpedoes (MK 48 ADCAP; MK-50)
—sonobuoys
—other preferred weapons (IIR MAVERICK; SM-2)
—replenishment spares
—POL
—equipment to sustain operations in a chemical warfare environment.

Command, Control, Communications, Surveillance, Intelligence, and Electronic Warfare.—These capabilities are required to support every warfare area in times of crisis and hostilities. They are necessary for indications and warning, and must be adequately survivable to perform in an environment of intense electronic jamming and deception. Priority programs are:

—Secure and anti-jam communications (SINCGARS; HAVE QUICK; JTIDS)
—Surveillance upgrades (North Atlantic Defense System; IUSS; ROTHR/OTH-B; AWACS radar improvements)

—Electronic Warfare (Air to Surface ECM upgrades; Combat DF/BGPHES)

—Strategic connectivity (MILSTAR; VLF/LF)

Forces.—We must continue modernization of our forces through fielding adequate numbers of new systems each year to maintain our qualitative edge.

Security Assistance.—The programs that make up security assistance to Caribbean nations provide us positive leverage an order of magnitude greater than their relatively small dollar investment. Our assistance enables nations to develop indigenous security capability and strengthens ties to the U.S. through equipment, training, and advisors. Since 1984, the U.S. has invested nearly $750M in Security Assistance to Caribbean Island nations. The impact of continued near zero Economic Support Fund (ESF) and Military Assistance Program (MAP) funding for the Caribbean will be to jeopardize the stability of this neighboring region. After extensive consultation with the U.S., Caribbean nations acquired the equipment necessary for their basic security needs in the early 1980's. They understood that some of this equipment would require a constant level of maintenance costs in the out years and asked for assurances that these costs would be covered. We gave them those assurances. Abandonment at this juncture will eventually:

—Result in erosion of U.S. credibility and confidence.

—Lead to degradation of Caribbean security force capability developed since 1984, which will have a negative effect on regional stability.

—Hamper the growing contribution Caribbean nations are now making to drug interdiction.

We need your support to restore security assistance programs which underpin Caribbean stability. The 10–12 million dollars needed is a bargain compared to the approximately $1 billion per year in military aid and about $4.5 billion per year in economic support provided by the Soviet Union to the Caribbean's most formidable military power . . . Cuba.

DRUG SURVEILLANCE

We are in the planning process to undertake the anti-drug detection and monitoring mission which the Administration and Congress assigned to the Department of Defense in the last Congress. We envision CINCLANT taking responsibility for drug detection and monitoring operations in the Atlantic area of responsibility. This operation is to be directed by a flag officer with his staff and headquarters in Key West, Florida. He will be in charge of all anti-drug detection and monitoring operations and be responsible for coordination with other agencies and commands involved in drug interdiction. He will report directly to USCINCLANT.

CONCLUSION

Program changes of the magnitude required to suppress real growth in the 90–94 FYDP increase our risks and diminish our ability to deter war with the Soviet Union and to influence events worldwide. Soviet military power, regional conflict and state-supported terrorism will not depart the world scene in the foreseeable future. We must resist the temptation to size the defense budget in isolation of these realities.

The strategy of forward defense remains valid within the projected context of reduced funding and military capability. The inherent flexibility of maritime forces supports this general strategy without diminishing our ability, short of general war, to respond to regional crises.

I support the overall priorities and balance of the fiscal year 1990/91 budget submitted 9 January 1989. Significant reductions or changes to its basic composition, however, could substantially accelerate a decline in current military capability. In the near term, it is important that military pay at least match expected inflation rates. In the long term, a plan to close the civilian pay comparability gap is needed to avoid an exodus of talent from which we would be hard-pressed to recover.

This completes my presentation and I am prepared to answer your questions.

SEALIFT

Senator INOUYE. Thank you very much, Admiral. As you know, we have decided to confer with all of the CINC's in the world as part of our investigating program.

And in meeting with your fellow CINC's, just about all of them have raised the issue of sealift as being a significant problem facing us.

And, needless to say, without that, all of the plans that we may have would be just paper plans.

What are your views on our current sealift capabilities? And do you have any recommendations to make to improve it?

Admiral **Kelso**. Well, Mr. Chairman, I certainly agree with you, that sealift is very important to the Western Alliance's strategy to support and sustain a conflict on the European continent. I think it is historically clear, and we have proven it twice in the last century, that the reinforcement, resupply, and sustaining capability is essential to a successful outcome.

Our merchant marine, as you are well aware, has continuously declined for the past several years. Today, we have no merchant ships on our shipbuilding ways.

We probably still have a cadre of trained seamen, but they are aging and we are training fewer every year. The future of our merchant marine, indeed, looks bleak.

I don't have a recommendation better than those which the Commission has recently sent to the President on revitalizing the merchant marine.

It is an economic problem. We have not been able to solve the problem of economically building ships and manning them with U.S. crews in the last few years.

The basic issue is our inability to restore the merchant marine. I believe it is a national issue rather than just a DOD issue. Nevertheless, it is an issue we have to address.

To put it in perspective, it is important for people to understand that at the beginning of World War II the Western powers essentially reigned supreme in the oceans of the world from a merchant marine standpoint, as well as a naval standpoint. And yet, we had a significant problem in the 1940's of being able to get ships across the Atlantic.

In 1942, it was a holocaust of fires at sea, and during that period, the most number of submarines that the Germans had operating at any one time was around 13.

The problem is, if we had a conflict today, in my view, the balance is worse than it was in that period because of the sizeable Soviet submarine force. Consequently, we are going to need a large merchant marine force to sustain a conflict.

Today we are in a position where we have fewer ships, and we depend upon our NATO allies to provide the additional merchant shipping required to sustain a conflict.

Many of our allies are in the same boat, so to speak. The owners are flagging their ships through other nations to provide for a more economic product, and they are being crewed by other than their national citizens.

Senator **Inouye**. I agree with you fully. As we all know, at the end of World War II, we commanded the seven seas as far as the merchant fleet was concerned.

But today, we are about number 12 or 13 with the Soviets way up there.

Admiral **Kelso**. The Soviets and Japan; I guess you can argue who is No. 1. And you are right; we rank about 13th or 14th in the world.

Senator **Inouye**. I think we carry less than 5 percent of our foreign cargo now.

Admiral **Kelso**. That is correct, sir.

Senator **Inouye**. The thing that concerns me is that our plan calls for dependence upon NATO sealift capabilities. And the question is: When the crunch is on, can we count on that? Because we have had other crunches in the not too distant past where we could not count on our friends.

Admiral **Kelso**. I think, sir, that there is another part of the equation. It is a political decision as to when to use the merchant marine. We depend upon early reinforcement in a conflict situation in Europe. This makes it a very difficult political decision for any nation to make since use of those ships may forego any projected economic gains.

I agree with you that it would be a very difficult political and economic decision for any nation to make early in a time of tension when the shipping might be needed for other purposes.

DEDICATED SEALIFT

Senator **Inouye**. Do you have any dedicated sealift assets in your command at this time?

Admiral **Kelso**. The Atlantic Fleet has one maritime prepositioning squadron of four ships under our control. In the Atlantic Fleet we also operate several of the military sealift command ships that provide oil and other services on a day-to-day basis. There are a number of common user ships available at times in the Atlantic also.

We do, as I think you know, Senator, have a Ready Reserve Force of about 92 ships under the control of the Maritime Administration.

MOBILIZATION REQUIREMENTS

Senator **Inouye**. After mobilization day, about how long will it take for you to reach this full 500-600 ship capacity?

Admiral **Kelso**. It would take quite some time. When the decision is made to mobilize, these ships could be anywhere in the world. The one that you need in Norfolk to carry cargo might be in the South China Sea, the one needed in the Gulf Coast to carry tanks to Europe might presently be utilized somewhere else.

In essence, compatible cargos and missions, and the logistics involved in getting them to the proper place at the proper time is a major problem.

It is hard to say what the time factor would be, but it would require a substantial period of time to get this organization flowing, provide sufficient reinforcement, and resupply on a steady basis.

I guess the best example we have had in recent times is our resupply efforts on two occasions in Vietnam. Once we stopped it, it took about 60 to 70 days just to reestablish our ability to resupply the material.

FAST SEALIFT

Senator **Inouye**. General Galvin recommended the development and procurement of 55-knot surface effect ship. Do you have any comments to make on that?

Admiral **Kelso**. Well, certainly I understand General Galvin's recommendation, and I can appreciate it. Other than our eight fast supply ships, I do not know of any ship that we have in development that can carry large cargoes at very high speeds. His idea is practical, and it would deliver troops and cargo to Europe in a fast period of time.

I think it is the same problem as any other merchant marine problem: What does the insurance policy cost, and can we afford it in the end? Additionally, from a merchant marine standpoint, is it economical? I personally do not know if it is economical. How many ships and crews have to be paid if you are just going to have them standing by?

I think that trying to make it an economical merchant marine is the way we need to go. If it turns out to be 55-knot ships that will get you there faster, I would be all in favor of that.

But I think that the real issue is: how do we make an economical process work? If we are going to just keep it in standby, what is it going to cost us? I think that the cost will be enormous.

600-SHIP NAVY

Senator **Inouye**. That Navy has apparently decided to either forego or postpone its 600-ship goal, but, however, to maintain and protect the build up of 15 deployable carriers. Do you share this view?

Admiral **Kelso**. I certainly support the 15 deployable-carrier Navy. From my standpoint in the Atlantic, as a maritime commander, a 600-ship Navy is a very good idea. I think you are right, however, that because of the economics of the times, when we might eventually reach that goal is certainly in question.

But we basically need, in my view, the 15 carriers. Every Chairman and Joint Chief in recent times has looked at an analysis of what is needed at sea. And their stated requirement was greater than the carrier forces we ever had. It was better than 20 in most cases.

The war-fighting goal of 15 carriers has certainly been substantiated. Every major force sizing study that has been done clearly substantiated that given the peacetime commitments we have today and to maintain reasonable deployment ratios and operational tempo for our people, and still retain them, we cannot do the job we are doing today with any less.

Our goal is to keep our people at home half the time. In other words, a sailor will be in his homeport 50 percent of the time. If we deploy him for a 6-month period he will operate in home waters for a year before redeployment. We can just about meet this goal with the 15 carriers we have today.

If we are going to continue to meet the same commitments, I do not see how we would do it with much less than what we have.

I also think that the carriers have proven to be, in the 40 years of "violent peace" since World War II, a force that can be quickly called upon by the White House and the State Department. The Navy has been influential in foreign policy throughout the world, and I do not see our world today changing that much.

Commitments over my career have generally increased and not decreased. I do not see any decrease in those commitments today. So I certainly support the 15-carrier force, and think it is essential for our overall capability.

CARRIER BATTLE GROUPS

Senator **Inouye**. Is the decision to reduce the size of the carrier battlegroup a prudent one?

Admiral **Kelso**. In my view, the size of the carrier battle group should be tailored to the job that it is given to do.

The carrier battle group that has to work in some parts of the world does not need the same number of ships with it as it does when operating in other parts of the world.

In the Pacific, if you are going to operate near Japan or near the Russian coast, you will need a different mix of ships than you do if you are going to operate in the Indian Ocean, because the air threat is considerably different in the two worlds.

The same is true in the Atlantic. If you are going to operate in the western Mediterranean versus the Norwegian Sea, you have a different air threat and, perhaps, a different submarine threat.

You have to tailor the mix of ships to the threat and to the offensive capability you want your carrier battle group to have at any one time.

In one situation it might be prudent to have a smaller mix of ships. Or you may need a larger mix in other places to accomplish the same mission.

We have a tendency to look at it and say if you have a carrier, you must have a certain number of escorts, such as three cruisers, three destroyers, or so many ASW ships. But, from a practical standpoint at sea, I think you will always have to judge what you really need to do the job based on the mission that is required.

Senator **Inouye**. I have been advised that we rarely need to have more than four deployed at any one time. Is that correct?

Admiral **Kelso**. More than four deployed at any one time?

Senator **Inouye**. Yes, sir.

Admiral **Kelso**. Normally, today, we have one deployed in the Mediterranean. Quite often we have deployed two in that area, but in the last 2 years, roughly, it has been one.

We have kept one deployed in the Indian Ocean, and normally two in the western Pacific. But the real issue is that you are always training a new set of people.

The carriers go through a long workup period. In each cycle you bring on a new air wing and you have to retrain the air wing. You always have one either coming or going.

It subsequently takes a force larger than the four you have deployed, or your people will end up being deployed all the time. This deployment cycle is in addition to having a carrier, for instance, in the Norwegian Sea or on other similar exercises.

The purpose of exercising in the Norwegian Sea is to learn how to operate in that part of the world. For instance, this time of the year the seas in that area are very rough. If we don't regularly exercise in that environment you do not know how to do it when the time comes, and consequently you cannot sustain yourself. We exercise our ships less than 2 percent in that part of the world in reality, but we think it is important to do so when we can.

We have other commitments for our ships than just those deployments, too, Senator.

NUMBER OF CARRIERS

Senator INOUYE. At the present time we have 13 deployable, one training, and one in service. Is that correct? One being reconditioned?

Admiral KELSO. We have 14 deployable carriers in addition to the training carrier *Lexington* and the *Kitty Hawk*, which is in SLEP in Philadelphia.

Of my deployable carriers, I normally have one in overhaul in one of our shipyards. *Saratoga* is in the Norfolk Naval Shipyard at the current time.

And so I have seven carriers assigned today, available to deploy if we had them fully trained up to go. They are in various stages of their individual training cycles at this time.

"LEXINGTON" REPLACEMENT

Senator INOUYE. Would it be possible to use, say, the *Coral Sea*; replace the *Lexington* with it, and make the *Coral Sea* deployable and, thereby, meet the requirement?

Admiral KELSO. It would obviously be possible, but I think the idea would be a difficult one. The *Coral Sea* is over 40 years old today, and has a very difficult engineering plant to keep running. It is attainable, but the *Lexington* is much less expensive to operate on a day-to-day basis as a training carrier than the *Coral Sea* would be.

And so I would not be an advocate of the *Coral Sea* being the training carrier, Senator, because I think it would be a very difficult and expensive proposition to achieve.

PILOT RETENTION

Senator INOUYE. You have both Navy and Marine Corps pilots under your command. And your statement suggests, as other naval officers have suggested, that the retention problem is a very severe one among naval pilots. And, therefore, they have to be offered pilot bonus.

However, on the other hand, the Marine Corps has not found it necessary to offer a pilot bonus. Why the difference?

Admiral KELSO. I am not sure I can give you a definitive answer, but I can at least give you some ideas.

We believe that the general problem with pilot retention can be traced to the increased airline hiring rate.The best statistics I have seen say that the airlines will probably hire continuously over the next 20 years. So where, in the past, we may have had a cyclic hiring pattern, it is now going to be fairly steady for a lengthy period. We probably will not train enough pilots in the Air Force, the Navy, and the Marine Corps to provide all the airlines needs over that period and still meet our own requirements.

It is not going to be an issue that is going to go away. I think the Marine Corps is a smaller organization with a very good esprit de corps.

They do deploy, but not quite as much as the naval aviators do. They are on some of our carriers some of the time, but they fly in a different pattern than many of our people do.

I will provide a more definitive answer for the record, but I do know that you are correct. The Marine Corps has had less problems than we have had in the Navy retaining people.

[The information follows:]

The pilot retention rate requirements of the Marine Corps are lower than the other services, primarily because their pilot grade structure is more heavily weighted in the company grades. These officers are still serving their initial commitment.

The effects of the recent high level of airline hiring may have been delayed for the Marine Corps because the majority of Marine Corps pilots are helicopter pilots. However, the airlines are now hiring helicopter pilots such that the Marine Corps anticipates that the shortfall of company grade pilots may increase to 10 percent of their requirement by the end of this fiscal year.

Senator **Inouye**. I would appreciate that. Because as far as economic pressures are concerned——

Admiral **Kelso**. Certainly there is no question that the economic pressures are the same. It might be that the pattern is not the same.

WATCH CIVILIAN AIRLINE PILOT PAY

Senator **Inouye**. I do not think it will ever be possible for our military to match the pay of civilian airlines.

Do you have any recommendations you can give us as to how we can encourage young people to join our military airwings and forces?

Admiral **Kelso**. Well, I think the record would show, if we looked at it, that recruiting the pilots is not the problem. There has always been an adventure to flying that has allowed us to get young men to want to fly. The training itself, while extremely expensive, is very good.

So I do not think that is our problem. Our primary problem is retaining them. And we require pilots to stay a considerable period of time when we train them today. A pilot is obligated far more than a young officer who comes into the Navy who, say, drives a destroyer. It is almost 8 years of obligation for a Navy pilot today, from the time he goes in until the time he can leave.

I think we in the Navy have to try harder to convince the young man to stay. You asked me about our 15 carriers. I can certainly tell you, if you keep the same commitments and cut the number of carriers, the retention will decrease. Family separation is one of the major issues that a young guy has today, and is a primary reason that he says, OK, I can go fly an airplane for a major commercial airline.

Most airlines will hire him because his training is very good. The incentive to leave the service is there because he can work a work week that is considerably different than deploying to the Mediterranean or to the Indian Ocean, and have a lot more time at home with his family.

I think the fundamental concept we have to emphasize and build upon, is that most young aviators love to fly; and the training flight time provided should be of such high quantity/caliber as to become a high priority in his life.

Now, his counter argument is that while flying tactical airplanes is more fun, he can stay in the Reserves, and fly tactical aircraft in addition to flying an airliner.

To effectively deal with this disparity, we are going to have to continue to provide some monetary incentive. I believe the record shows that monetary incentive has allowed us to do better than we would have done without it.

I agree with you that I do not think we will ever be able to provide a dollar-for-dollar salary that people in the civilian world can pay, it is just going to be a tough problem. We have to try to do as well as we can to convince the young man how important it is that he stay and do his job.

We are going to need your help on the legislative side, Senator.

15 DEPLOYABLE CARRIERS

Senator INOUYE. Would you say that one of your arguments in favor of the 15 deployable carriers would be that pilots will then be required to spend less seatime, and, therefore, spend more time with their families?

Admiral KELSO. Yes, sir. If we have the same commitments, that is absolutely true. In other words, you cannot meet the same commitments with less carriers and not go to sea more. If you cut back the carriers, you are going to cut back the airplanes and aviators that go with them.

Essentially you have a set of airplanes and aviators that will go and deploy with the carrier; and if it deploys more to meet required commitments, then, you are going to have a more difficult time with retention.

LOS ANGELES-CLASS SUBMARINE

Senator INOUYE. Now I would like to turn to something else.

You have made it very clear that you feel the SSN–21 *Sea Wolf* is our best hope at improving antisubmarine warfare. Are you suggesting that the *Los Angeles*-class submarine is no longer effective against the Soviet threat?

Admiral KELSO. No, sir; I do not mean that at all. I think the *Los Angeles*-class is effective. But I think as you look into the future and look at the past, certainly our capability in the past was much greater, vis-a-vis the capability of Soviet submarines, than it is today.

If you look to the future, the capability, particularly the quietness of the Soviet submarine force and their new generation of submarines, is significantly improved over what it was, say, 10 to 20 years ago. The Soviets have built six classes of submarines since we built a new submarine, for example.

I do not believe that it is possible we can continue to maintain the position we have without reaching for new technology.

The SSN-21 is new technology in many, many ways. If we will not go forward and reach for that technology, the answer is pretty clear we are going to lose the technology race. We have already lost the numbers race with the Soviets. I believe that we have to go on and build the new submarine with the new technology.

The SSN-21 is the submarine that takes advantage of current technology. If we are not willing to build it, I think the answer in the end is clear: the Soviets will match us in technology and perhaps surpass us.

"SEA WOLF" PRIORITY

Senator INOUYE. By that, am I correct to assume that you give higher priority to the *Sea Wolf* Program over the *Los Angeles* Program?

Admiral KELSO. Well, the current modernization plan is to phase the 688 program out as the *Sea Wolf* is built. We would stop building 688's when the *Sea Wolf* is a viable program, and has been put to sea and tested.

The 688 production will then be phased out and we will build the SSN-21's. That is the proper way to proceed. In other words, I do not think we should stop production of the 688's until we have completed our evaluation of the SSN-21.

There are many older submarines. The 688 is still capable, and will be for a long time, and the 688 is certainly a different submarine than when it was built. It has been improved significantly, but it cannot be improved much further because its space and weight limitations have been exhausted.

We need to reach for new technologies in noise-quieting and sensor systems, and we need a new platform to do that, sir.

Senator INOUYE. In conferring with my colleagues on the Budget Committee, it would appear that some of the problems we discussed late last year have somehow turned out worse, such as the savings and loan problems and the demand upon our Treasury.

Therefore, we have been warned that all of our subcommittees may be called upon to come forward with further reductions. And this may not be a fair question, and you may say that this is a matter of policy. If so, I will understand.

If it became clear that the current request for submarine procurement was to be reduced, would you rather have the Navy defer a Trident, defer the SSN-21, or cancel the final two *Los Angeles*?

Admiral KELSO. Senator, I believe I should defer that question to the policy side. I will be asked for an input, as you know, as a unified CINC. But if I gave an input that was contrary to the position the Secretary of Defense or the President decides to take, they might see my answer as one that preempted them, and consequently would put them in a position that was untenable.

MEDICAL HEALTH CARE

Senator INOUYE. That is why I said if you do not wish to comment, I understand.

In your recent testimony before the House Appropriations Defense Subcommittee, you indicated that the quality and access to health care was a major concern to the men and women of your command.

Would you like to tell us about this?

Admiral **Kelso**. Well, I testified before that committee that the quality of medical care is not the issue. That is to say, I have not heard many people tell me that they fault the quality of medical care.

The real issue is access to medical care.

I think that our young people and, particularly, our retired people who are not able to get into Navy medical facilities are using the CHAMPUS Program at a greater rate. We are finding that the cost of CHAMPUS is going up significantly.

In Norfolk, for example, it is twice as much for a patient to go on CHAMPUS as it is for us to handle him if we have the capability within the military hospitals. We are trying to find a way to bring as many of those people back under the umbrella of military medical care.

It is a matter of the number of care providers available. As you know, we are trying to contract for civilian care providers to work in the naval hospitals where a shortage of qualified personnel exists.

It is certainly a significant issue. The Navy is currently trying to determine how to bring more people back under the umbrella of medical care in order to reduce the cost. We need to provide the care that many of our retired people, sailors, marines, airmen, and soldiers feel was a promise made to them when they signed up that they and their dependents were going to receive.

It is a problem that we have to deal with, and we are probably going to need some help in legislation to support us in that regard. Much of the problem is ours to solve, but some of the problem may need some new legislative solutions, sir.

Senator **Inouye**. If you have any solutions or recommendations I would appreciate that. Because, as you know, I have been deeply involved in supporting CHAMPUS over the years. CHAMPUS has not doubled, it has not tripled, it has quadrupled. It appears that it may continue to increase in cost. I really do not know what the answer is.

I also agree with you, that when young men and women sign up to make this a career, they expect to be given a fair treatment after they get out. That is part of the contract with the U.S. Government. I feel that when I signed up there was a contract, and I am happy to say that in my case I have no complaints about the contract. I would hope all others could say the same.

So you can be sure that I will do my best to see that we, on this side, will maintain our side of the contract.

Admiral **Kelso**. Thank you, sir.

Senator **Inouye**. Do you believe that your situation in the Atlantic Command on the health care issue differs from other commands, or is it the same throughout the world?

Admiral **Kelso**. I think, from a Navy standpoint, that Admiral Hardisty would tell you the same thing in the Pacific if you asked him. I am not as familiar with the Army and the Air Force problems as I am the Navy.

My perception, however, is they are in a little better shape than we are, although they probably have the same problem with CHAMPUS that we do. But my remarks were primarily directed toward what I have seen in the Navy, sir.

COMBAT READINESS

Senator **Inouye**. Not being a Navy man, and I have been out of uniform for decades now, but I would assume that combat readiness would require as much seatime as possible. If that is the case, what are your comments on reports that have been coming out saying that seatime has been reduced ever since the Gorbachev initiatives; that men spend less time on the sea?

Admiral **Kelso**. Are you referring to the Soviets, Senator?

SOVIET SHIPS AT SEA

Senator **Inouye**. It has been reported that the Soviets have spent less time; is that so?

Admiral **Kelso**. Yes, sir.

We have, over the past few years, seen a reduction in out-of-area activity from the Soviet Navy, and the total activity has declined somewhat.

Senator **Inouye**. If we reduced our seatime, would it affect our combat readiness?

Admiral **Kelso**. Yes, sir; in my opinion it would.

The more time you spend at sea, the more prepared you are to deal with any contingency. But, I think you can overdo that. From the standpoint of morale, there is a point where you could be spending more money than necessary to go to sea. But I think there is a lower limit, and there always has been, as to how much we should train at sea.

We believe, certainly, that without going to sea a true appreciation for the environment is very difficult. So, if we took a commensurate reduction, we would see a lesser capability, and would consequently believe that our readiness was lesser. I would agree with that, sir.

Senator **Inouye**. Would you provide us with a definitive paper on this subject? Because several have suggested that since the Soviet Navy has reduced its seatime, why not us.

Admiral **Kelso**. Yes, sir; I would be happy to.

I would like to say, though, that I believe our training and readiness and our commitments to deploy, are considerably different than the Soviets. The Persian Gulf is a good example.

You are asking American lads riding destroyers to go into a rather hazardous area of the world to do their job. We deploy, as I say, to the Indian Ocean, the Mediterranean, and the western Pacific. Hopefully, they are not going to come into combat, but it is prudent for us to provide them the best training we can to respond to any possible situation.

I think our goals in training are considerably different than the Soviets goals in training. They have not, historically, used their maritime forces in the same way we have.

In my view the Soviets can change their training modus operandi and their commitments fairly easily, whereas our commitments do not change. They are political commitments that we have maintained throughout the world.

[The information follows:]

The Soviets have reduced the tempo of their naval operations outside their coastal seas since 1985. They have done this by retiring many older, less capable units. Also, their naval exercises have not taken place as far south in the Norwegian Sea and northeastern Atlantic as we had previously seen. However, there has not been a corresponding decline in their naval operations in areas closer to home. As a result, despite the reduction in distant operations, the Soviets are far more formidable opponents in Nordic waters now than they were just 3 years ago.

[Deleted.]

Obviously, the U.S. situation is very different. Where the Soviets are a continental power having land frontiers with their major allies, we are essentially an island nation and a maritime power. The Soviets can cut back on overseas operations and even on some naval forces without cutting back on support to their Warsaw Pact allies; we cannot.

Senator Inouye. Admiral, I am pleased to note the presence of my distinguished colleague from Alaska who just left the floor, as you know. I am glad to have you here.

Senator Stevens. Mr. Chairman, I see our other colleague is here. If he has some particular questions he would like to get into before I do.

Senator Inouye. Admiral, that is the man you have to get together with. He decides what our budget is going to look like.

Senator Sasser. Thank you, Senator Stevens. I would yield to Senator Stevens. I was just reading the Admiral's statement here.

Thank you, Mr. Chairman.

REDUCED SOVIET SUBMARINE ACTIVITY

Senator Stevens. I am sorry to be late, and I was on the floor. And with the schools closed, I am also babysitting today, Admiral. And I see your aide back there smiling. He understands that.

Did you make a comment about the reports on the reduced Soviet submarine activity in the Atlantic?

Admiral Kelso. No, sir; but I would agree that if you looked at the last 3 or 4 years there has been a reduction in submarine time in the Atlantic.

I would say, particularly on the strategic submarine side, that there are very good technical reasons that you would have expected that to happen. They have built a newer, better, more capable submarine with longer range missiles systems. This allows them to pull back submarines that they, at one time, had to have closer to the United States to maintain target coverage. I would have expected that, regardless of what else took place. At the same time, the number of warheads that are targetable are at sea more than they were in the past.

Senator Stevens. We have had reports that they have dramatically, and that is not my word, but dramatically reduced their submarine construction.

Admiral Kelso. That, to the best information I have, is not correct, sir.

They have been building, over the past several years, eight or nine submarines a year. This is about one every 40 or 45 days, and it has been fairly constant for several years.

Senator STEVENS. The Baltimore Sun of March 5 quotes a NATO estimate in a Reuters release from London that annual output of the Soviets had dropped to six per year. And they indicate that their patrols increased when we put in our new medium-range nuclear missiles in Europe in the 1980's, but now they are coming out; and the Soviet patrols have been reduced.

That is the first I had seen of it. I just wondered what your comment is.

Admiral KELSO. Well, I think I can clear up the discrepancies between what I said about building and what the Baltimore Sun was quoted as saying. The Baltimore Sun is probably referring to what they keep at home. They do export some diesel submarines they build.

I think the Sun is counting only what went into the Soviet Navy, and deleted the diesel submarines they have exported. To date, they have also exported one Charlie SSGN to India.

The Sun may be referring to what you might remember was called an analogous response in which the Soviets decided to deploy a cruise missile-type submarine in response to our putting in GLCM's in Europe. For a period of time, maybe 1½ years, we saw one cruise missile submarine deploy in response to that. We do not see that particular type submarine patrol anymore, and have not since 1985.

KEY WEST FLAG COMMAND

Senator STEVENS. All right.

Your statement refers to the new flag command at Key West. And we have committed a substantial amount of taxpayers' money to the war on drugs in the South Atlantic. Will you have a role in that?

Admiral KELSO. Yes, sir; that flag commander works directly for me. We are establishing a joint task force to do nothing but tackle the surveillance and monitoring of drugs as directed by Congress last year.

Senator STEVENS. Has there been any change in your role in that regard since the change in administrations?

Admiral KELSO. I think the change in my role was more a result of legislative action taken last year than any other at this point. Up until that time, we were in a support role. Now we have been directed, and we are in the process of taking a directing role, in surveillance and monitoring.

That is the major change in our role.

WAR ON DRUGS

Senator STEVENS. Well, actually, the members of this committee were very active in trying to make certain that you had an additional role as military people beyond the 3-mile limit in this war on drugs. And what I am really trying to get to is whether or not your role has, in supervision of this new flag station command at Key West, whether it has been really defined now as to what you are going to do, vis-a-vis the Coast Guard, Customs, everyone else that is involved.

Is that separated out now as to what is expected of you, in terms of your military role?

Admiral KELSO. I think the military role is pretty clear, but we have to work out several coordination agreements with other agencies that have the required capabilities. We do not have command authority over the other agencies, and agreements are necessary to achieve interagency coordination.

It is clear that the military's role is to supervise the monitoring and surveillance for air and seaborne drug transporters. In my case, I am responsible for the Caribbean and the Atlantic.

The joint task force is in the process of setting up a 365-day/24-hour watch center to fuse information. This will give us the capability to better use the forces that we have to do the job.

In other words, we would try to find the airplane or the ship that was carrying contraband, and then pass that information to the organization that has the law enforcement authority, like the Coast Guard or Customs, for interdiction. We are currently working out the details of this coordination process, sir.

Senator STEVENS. Well, are you going to set up a process for interdiction beyond the 3-mile limit yourself, or are you going to have the Coast Guard people along?

Admiral KELSO. We will hopefully use all of the forces, sir, and coordinate them together. We will use naval forces, air and sea; Air Force; Army; Marine Corps; and Coast Guard. Hopefully we can coordinate with the other agencies that have some capability in that area, too, to effectively combine efforts so that we are all working together.

MILITARY INVOLVEMENT IN DRUG WAR

Senator STEVENS. I think at the time we suggested that, there seemed to be a reaction in the Department of Defense against the concept of having additional military responsibility for this drug interdiction activity. Do you see any resistance in your people to this expanded role, as far as fighting drugs is concerned?

Admiral KELSO. No, sir. We understand what the law says and we are trying to comply with it. It takes some time to set up the organization to accomplish that task, but we are doing that now. We are establishing the program as we think you intended for us to do it, sir.

Senator STEVENS. There should be substantial benefits in the training program, if it is done correctly, I suppose.

Admiral KELSO. One of the issues you may have seen as resistance is the need to continually train to fire guns or missiles, and you do not do that necessarily on this mission, so it will complicate our training some.

There is no question about that. What we were concerned about was that we would be driven to the point where we would not be able to train for our other missions. But we are going to do the very best we can to try to help improve the drug situation.

MINE COUNTERMEASURE

Senator STEVENS. Another activity is the problem of planning, with regard to mine countermeasure capability in the Atlantic.

Can you tell us what is our situation with regard to the capability of being able to protect our resupply routes to Europe in the event we would have a conflict?

Admiral KELSO. I think it is fairly clear that we do not have enough mine countermeasures assets within the U.S. inventory to do all of the things that we would like to be capable of doing in a major conflict.

We have, over the past few years, within the NATO alliance, organized in such a way that mine countermeasures capabilities is a national responsibility.

In the U.S. Navy, we have looked at building enough mine countermeasures forces to sweep our ports. I will admit that with the number we are buying, it might be arguable whether there are enough to do that in the timeframe you would like to have it done.

This issue, of course, was highlighted by the fact that in the Persian Gulf we had problems with mines. I would contend that we knew how to sweep the mines, but we had to get the minesweepers there first. Once they arrived, the mission was clearcut.

The Russians have built sophisticated mines, and the difficulty in sweeping stems from the fact that they are of a different type than we have seen before. So there isn't any question in my view that it would be within the bounds of affordability to buy more minesweepers, both ocean-going minesweepers and coastal mine-hunter minesweepers. Currently, we are talking about more than a dozen of so of each for planning purposes.

RESERVE NAVY TRAINING UNIT AT VALDEZ

Senator STEVENS. The Navy has decided to establish a Reserve Navy training unit at the Port of Valdez in my State. There is overwhelming support for that activity among the people of Valdez who are involved in the maritime and fishing industries. I do not see that we have had any similar units on the Atlantic coast in our own ports.

Should we try to expand that program now so it has some real viable capability of producing reservists who can do this function and perform this function?

Admiral KELSO. You may remember, Senator, we had what was called the COOP, which is kind of a cooperative minesweep program. The Reserves were going to train and operate trawler-type vessels that were capable of minesweeping. Most of the minesweepers that we have today are in the Reserves and are being used by the Reserves. Our current plans are to eventually put most of the new craft we are building into the Reserves.

The Reserves will have a major role in U.S. minesweeping. Our Active force will continue to operate several mining craft in light of our experience in the Persian Gulf. It is not easy to move Reserve forces if you need minesweeping in another part of the world, and need to do it right away. You need a few active ships to do that.

But, we will continue to put most of our minesweeping capability in the Reserves.

Senator KASTEN. I did not hear what you said. Most of our minesweeping?

Admiral **Kelso**. I said we will continue to put most of our minesweeping capability in the Reserves.

Senator **Stevens**. As far as our own U.S. port protection, you are talking about?

Admiral **Kelso**. Yes, sir; including forces for our home port breakout.

RULES OF ENGAGEMENT

Senator **Stevens**. I have one last question and that is, based upon what happened in the Persian Gulf, are you satisfied with the rules of engagement you operate under now, as the commander of the Atlantic?

Admiral **Kelso**. Yes. I believe the rules of engagement we have in the Atlantic are adequate for the task we are given. I also feel confident that if we needed different rules of engagement, we would be given a good voice as to what they should be.

I say this from my experience as Sixth Fleet commander in the Mediterranean and my service in the Persian Gulf.

Senator **Stevens**. Thank you very much, Mr. Chairman.

Thank you, Admiral.

Senator **Inouye**. Thank you.

Senator Sasser.

Senator **Stevens**. Oh, pardon me, Mr. Chairman, Senator McClure has sent word that he would like to have consent to submit questions for response in the record.

Senator **Inouye**. Without objection, so ordered.

U.S.S. "TENNESSEE"

Senator **Sasser**. Thank you, Mr. Chairman.

Welcome, Admiral Kelso. It is good to see you again.

Admiral, can you give us a report on the U.S.S. *Tennessee*? When is that going to be fully operational?

Admiral **Kelso**. The *Tennessee* will make her first patrol in January of next year, Senator; she is presently in the process of training. As you know, she is the first D–5 Trident ship, and will be the ship that conducts the performance missile shots at sea for the D–5 missile.

I believe all of the pad-launch shots are passed, and the ship is ready for sea.

Senator **Sasser**. I was down at King's Bay in the latter part of December. And that is a very, very impressive base that has been constructed down there.

How many submarines other than the *Tennessee* of her class will operate out of King's Bay?

Admiral **Kelso**. There are currently a total of 16 Trident submarines authorized and appropriated by Congress. It is planned that eight will continue to operate in the Pacific. The next eight will be based in Kings Bay and operate in the Atlantic. Subsequent SSBN's will be added to both fleets as they become operational. The final force level of Trident submarines has never been firmly established and is the subject of continuing review in light of changing strategic requirements, budgetary considerations, and potential arms control constraints.

Senator **Sasser**. With regards to the conventional arms control talks that have gotten underway in Europe, apparently the Soviets are counting naval forces, or at least naval personnel and naval aircraft, in their estimation of NATO strength in Europe.

Do you know whether or not they are counting the Atlantic fleet?

Admiral **Kelso**. I do not know. I will try to answer that for the record for you.

[The information follows:]

Under the protocol establishing talks on conventional arms in Europe, naval forces were specifically excluded. However, the Warsaw Pact's public data release in January 1989 (outside of the negotiations) included all naval forces in its comparison. There has been no other data exchange within the terms of negotiations.

There is a continuing Soviet/Warsaw Pact intiative to expand the negotiations to include naval forces and provide an opportunity to negotiate away what they perceive to be a NATO advantage. Robust naval forces are absolutely necessary to maintain the sea lines of communication that support reinforcement and resupply to NATO forces in Europe.

Admiral **Kelso**. As I am sure you are aware, the Soviets have tried continuously to expand arms control talks to include naval forces. The NATO alliance, at this point in time, has basically said no, and plans to negotiate on the drawdown of land forces before naval forces.

The Russians have tried to continually capitalize on this fact by listing naval forces. The Alliance currently does not list naval forces in the conventional arms control negotiations.

NATO NAVAL OPERATIONAL COMMITMENT

Senator **Sasser**. In your operations, Admiral, as commander in chief of the Atlantic fleet, I think you indicate in your statement that there were a substantial number of NATO destroyers and frigates that operated in concert with the Atlantic fleet.

Do they operate under your command?

Admiral **Kelso**. They are assigned by the nations to my NATO SACLANT hat for exercise purposes in peacetime and for wartime purposes, sir.

Senator **Sasser**. Do NATO countries supply any other combatants other than 40 percent of destroyers and frigates and nuclear attack submarines, any larger vessels than the frigates or destroyers supplied?

Admiral **Kelso**. The United Kingdom provides two to three helicopter and ASW carriers for NATO, and the NATO nations provide all the general-purpose submarines. These are basically diesel submarines. They provide almost all of the minesweeping capability that exists in that part of the world. And they have some very capable minesweeping and hunting capability.

Senator **Sasser**. But no cruisers or vessels of that size?

Admiral **Kelso**. No; I do not believe there are any cruisers or vessels of that size today.

Senator **Sasser**. In response to one of Senator Stevens'——

Admiral **Kelso**. The French do have some vessels which are not normally counted in the NATO alliance, because, as you know, they are out of the military framework. They do, however, have two aircraft carriers with an attack aircraft capability, and multiple cruisers, diesel and nuclear attack submarines, as well. I would say they have a credible navy.

FRENCH CARRIERS

Senator **Sasser**. What is the size and age of those French carriers?

Admiral **Kelso**. They are in the 33,000-ton category. One was commissioned in November 1961, and one was commissioned in November 1963.

Senator **Sasser**. So both of them were built after the Second World War, then; considerably afterward? And they can operate attack air?

Admiral **Kelso**. Yes; they are operable today. They had one operating in the Indian Ocean during the Persian Gulf crisis on a continuous basis. We exercise quite often with them in the Mediterranean.

Senator **Sasser**. In answer to one of Senator Stevens' questions, you indicated that there had been a reduction in the operation of Soviet submarines in the North Atlantic over the past few years. These are strategic, nuclear-armed submarines that we are talking about; is that correct?

Admiral **Kelso**. Yes. In the discussion I had with Senator Stevens, that was primarily what I was talking about, yes, sir.

Senator **Sasser**. Can you quantify the reduction that you detected or that you are aware of in Soviet operations? Is it significant: 20 or 30 percent, or is it 5 percent? Or just how significant is it?

Admiral **Kelso**. I do not think that the decline in strategic submarine operations in the Atlantic has reduced their capability one iota. In fact, their capability has increased. Basically, what they have done is replaced it with a submarine that has a better missile, much longer range, and more warheads. Consequently, they do not need to operate in the Atlantic anymore.

Senator **Sasser**. How about the frequency of Soviet attack submarines in the North Atlantic?

Admiral **Kelso**. It has decreased. I would have to give you an answer for the record as to how much as best we know.

[The information follows:]

[Deleted.]

Senator **Sasser**. Would it be a significant reduction, Admiral, or do you know?

Admiral **Kelso**. I do not think it would be significant; no, sir.

Senator **Sasser**. Admiral Kelso, thank you very much. We are delighted to see you today.

Mr. Chairman, we are awfully proud of Admiral Kelso. You know he hails from Fayetteville, TN, and we have had a lot of illustrious naval commanders from our State including Admiral Farragut. And we think, even though Admiral Farragut was on the wrong side of that war, some of us do, we think that Admiral Kelso carries on a great tradition.

Thank you, Admiral.

Admiral **Kelso**. Thank you.

Senator **Bumpers**. Would you like to respond, Admiral. [Laughter.]

Admiral Kelso. I would just say that his colleagues in east Tennessee might argue about the war; which side of the war.

Senator Inouye. Before I call upon my colleague from Wisconsin, I just noted that there is a U.S.S. *Wisconsin*, a battleship; a U.S.S. *Alaska*, a Trident; a U.S.S. *Tennessee*, one of the most recent Tridents; a U.S.S. *Arkansas*, a cruiser. Is there a U.S.S. *Hawaii* of any sort? [Laughter.]

I am just curious, that is all.

Admiral Kelso. No, Senator, there is no U.S.S. *Hawaii*. There is a submarine, the *Honolulu*, however.

Senator Inouye. I think we will have to follow that. The chairman of this committee has always had a ship named after him. [Laughter.]

Admiral Kelso. I would certainly think that such influences have been successful in the past. [Laughter.]

Senator Inouye. Senator Kasten.

MINE COUNTERMEASURE

Senator Kasten. Mr. Chairman, thank you.

And thank you, Admiral Kelso, for the work you are doing.

I would like to pick up a little bit, if I can, on what Senator Stevens said about the mine countermeasure efforts. And you made reference in your response to Senator Stevens about the fact that we had a formidable threat in 1987 with regard to mine warfare and the Persian Gulf.

How long did it take? You also said that the Europeans were going to be able to be counted on to help us out in parts of the world that were closer to them, or at least that is what you have implied.

How long did it take for the Europeans, first of all, to give permission, and then, second of all, to get the minesweepers down into the Persian Gulf? Wasn't there a significant delay? First, some political problems and then some logistics problems?

Admiral Kelso. Yes. But I believe if you look at the actual results, the United Kingdom and our minesweepers arrived at about the same time. It was a time/distance problem more than anything else.

I think the political decision to move, on their part, was about the same. And I will give you that for the record because I do not remember off the top of my head.

[The information follows:]

As far as our forces were concerned, remembering back to 1987, the *Bridgeton* struck a mine on 24 July while on the first Earnest Will mission. On 29 July we ordered our airborne mine countermeasures forces to deploy to the Persian Gulf. They were already in the Indian Ocean. On 14 August we ordered our surface MCM forces to deploy, and on 31 August the U.S.S. *Raleigh* arrived in the Persian Gulf with mine sweeping boats [MSB's] onboard. In October 1987, the three Atlantic Ocean minesweepers [MSO's] arrived in the Persian Gulf.

The mine strikes that occurred in the Fujairah anchorage on 10 August 1987 provided the emphasis for European involvement in the gulf. Within a week, both the United Kingdom and France announced that they would send minesweeping ships to the Persian Gulf. The first United Kingdom ship arrived on station 16 September 1987. The first French ship arrived in the gulf on 14 September 1987.

Admiral Kelso. Some others followed later, sir.

Senator **Kasten**. As you may remember—and I know a number of people in this room remember—we had long discussions here about whether or not we would send our minesweepers across the ocean because there was at least a significant number of people, maybe not the majority, that were not sure our minesweepers were going to make it across the ocean. And if they did get across the ocean into the Persian Gulf, they would not be able to perform anyway because they were so old.

And so then we ended up by doing the minesweeping with helicopters in temperature conditions that made it difficult for the helicopters to operate. And we had to shortcut all sorts of different kinds of things.

The fact is that we have got a problem here and I think that you recognize that. You, in your response to Senator Stevens, did. At the same time, I have seen at least, to date, no response to address this threat, which you recognize, in defense budgets that are being submitted.

Are the total programs for the MCM's and also for the MHC's adequate? Is the budget request that are coming up here adequate to meet the mine threats that all of us recognize?

Admiral **Kelso**. Well, that is a difficult question to answer. Because you have got to prioritize whatever you bring up. We will never be able to have everything we want. And, certainly there was a need for the minesweepers in the Persian Gulf, but it took time to get them there.

I do not think if we had had the finest minesweepers in the world that it would have made any difference. It was still a 10,000-mile deployment, and that takes time. They are not the kind of ships you can airlift to a particular area.

These particular minesweepers are not constructed to move at high speed, because they do their work at fairly slow speeds, about 8 knots maximum.

We had the capability to sweep the mines in the Persian Gulf, but it was a matter of getting them there, and getting them there fast enough to meet the developing situation. Once our mine countermeasure assets were on scene, they located and destroyed more than 50 mines.

The issue, as far as a major conflict is concerned, is that more minesweepers are needed. Whether we can afford the "insurance policy" of building more minesweepers which are seldom used in peacetime is the real issue

However, we need to retain the capability to build minesweepers, and we are doing that. We are building adequate numbers of minesweepers and minehunters and keeping people trained. So, if we ever need to expand our minesweeping capability in the case of a major conflict it is available with minimum effort.

Minesweepers will naturally have to take their priority along with other ship-building programs in the defense budget. Since we have used minesweepers only three times since 1942, they probably do not have the priority that some people would like us to give them.

Senator **Kasten**. And I think it is also fair to say that people do not get into positions of responsibility and authority in the U.S. Navy by a career in minesweepers. That is not the same as a career in Navy air or a career in submarines. And so that it always kind of takes second or third spot in any kind of efforts on priorities.

I am going to be writing a letter to the Navy asking for a funding plan. And I hope that I might be joined by the ranking member and the chairman and other members on the committee, because I think as a result of the Persian Gulf we have got to kind of take a new look here.

And I think it is important. I agree with what you said. I think you made a very important statement when you said these kinds of efforts fit very neatly with a Reserve component. And that is a good fit. But we are not going to be able to do it unless we have got the ships for the Reserve to work on and to train on.

Admiral **Kelso**. And in support of what you say, the minesweepers that were capable of sweeping the kind of mines we swept in the Persian Gulf probably would have very limited capability sweeping more modern mines. Those minesweepers were built 30 years ago.

There is no question that we need to build some minesweepers. The real issue is whether you think what we are doing is adequate or not. I tend to think that it is. But you may disagree, sir.

Senator **Kasten**. Well, we can work together.

And, Mr. Chairman, thank you very much.

And I am going to try to call on you and Senator Stevens and others on this committee in order to try to focus in on this issue a little bit for a specific funding plan for an adequate mine countermeasure capability.

Senator **Inouye**. Senator Bumpers.

Senator **Bumpers**. Admiral, let me ask you a fairly parochial question. Senator Sasser took the liberty of getting off on the U.S.S. *Tennessee*. Mr. Chairman, incidentally, you may not ever get a ship named the Hawaii, but you can get one named the Inouye, and all you have to do is just retire to get that. [Laughter.]

AIR-TO-AIR MISSILES

But, on this question of air-to-air missiles, the AMRAAM is not ready yet, or at least we have not begun to put them in our inventory, have we?

Admiral **Kelso**. I am sorry, sir?

Senator **Bumpers**. The AMRAAM, that is not in our inventory yet, is it?

Admiral **Kelso**. No, sir; not in any great numbers.

PHOENIX MISSILES

Senator **Bumpers**. And the Phoenix, would you opt for more Phoenix missiles? Do you feel we have a shortage there?

Admiral **Kelso**. We have not reached our program requirement, Senator. We are about at the 30-percent level in our Phoenix inventory.

Senator **Bumpers**. When do you expect the AMRAAM to come into the inventory?

Admiral **Kelso**. Sir, I will have to answer that for the record. I do not know the date.

[The information follows:]

As a result of fiscal year 1987 production funding, the Air Force will take delivery of AMRAAM for war reserve stockpiles this year. Navy deliveries will lag a couple years since the initial production of operational missiles is funded in fiscal year 1989.

Senator **BUMPERS**. Based upon what you know now, do you have a great deal of confidence in that missile? Or do you want to reserve judgment on that?

Admiral **KELSO**. I think we ought to reserve judgement until we finish the test program. Clearly we need a follow-on, medium-range missile, and the AMRAAM is the program to do that. I do not think there is any question we need that capability. I am not personally up to speed on the test program, and so I hesitate to answer your question because I do not want to give you an answer that is wrong.

So if I could answer that for the record I would appreciate it.

Senator **BUMPERS**. That is quite all right. And I would like to have an answer on that.

[The information follows:]

Generally, we have high confidence in AMRAAM. To this point, the Air Force has test fired 75 missiles; 58 were successful (77 percent). Initial testing has been thorough for this much-needed medium-range radar-guided missile and has provided an opportunity to work out a variety of problems. The most significant problem areas have been associated with guidance and control, fins, and multiple-launch tracking.

SPARROW MISSILE

Senator **BUMPERS**. How about the Sparrow. And what kind of an inventory of Sparrows do we have?

Admiral **KELSO**. Our inventory of Sparrow missiles, if you look at air-to-air missiles in general, is one of the areas that we worry about from a sustainability standpoint.

In the air-to-air missile inventory, I am talking about primarily the Phoenix, Sidewinder, and Sparrow. In my view, we are going to shoot a lot of those in a conflict situation. It is a threat weapon, and almost every fighter aircraft carrries those kinds of missile.

So, if you look at both the Air Force and the Navy from a sustainability standpoint, it is one of the issues we worry about in the Atlantic Command.

YANKEE-CLASS SUBMARINES

Senator **BUMPERS**. Admiral, you mentioned on page 1 of your statement that the Soviets, previously, kept Yankee-class submarines off our coast. They discontinued that, and they have now taken that up again.

Do you have any thoughts about the rationale for that?

Admiral **KELSO**. It is not on a continuous basis. It is periodically intermittent. I do not have any idea what the rationale is, Senator.

As I said a couple of times, it is perfectly obvious in my view that they might have done that because of the new submarines they built that have longer range missiles. They do not need to operate as they have previously operated to be in range of their targets. They have replaced their inventories with more capable missiles, with more warheads, and more modern submarines.

And so I would not be surprised if they pulled back. I cannot give you the rationale for periodically deploying them.

SOVIET ATTACK SUBMARINES

Senator BUMPERS. How many attack submarines do the Soviets have?

Admiral KELSO. If you count diesels, including those in reserve status, there are about 330. This would account for all their types of attack submarines in all fleets including those with antiship missiles.

Senator BUMPERS. How many of them are diesel and how many are nuclear?

Admiral KELSO. Let me answer that for the record. I would estimate they have about 130 or 140 nuclear attack submarines, around 60 SSBN strategic-type submarines, and the rest are diesel submarines.

But I will give you a definitive answer for the record.

[The information follows:]

[Deleted.]

Senator BUMPERS. Do they use their attack submarines in their planning? Do they plan to use attack submarines the same way we would use them in case of an all-out confrontation?

Admiral KELSO. Well, of course, it is very hard for me to do anything other than speculate what they might do. But I would say that my best expectation would be that they would try to interdict submarines.

They would also use their attack submarines to try to interdict the sea lines of communications that are so important to the Western world, much as the German submarine was used in World War II, and we in America used our submarines in the Pacific during World War II. Their job is a little different in that they want to interdict those lines of commerce and lines of reinforcement/resupply to Europe.

So I would think that they would want to use attack submarines in that way, in addition to trying to interdict our submarine forces. We look upon our submarines to have multiple roles, and I would think that they look upon their own force in the same way. It could be antisubmarine, antiship, or whatever.

SLBM'S

Senator BUMPERS. They are also protective of their SLBM's, aren't they? In other words, they would want to use their attack submarines to protect their missile-firing submarines?

Admiral KELSO. Senator, we are in an open session and——

Senator BUMPERS. Do not hesitate if you feel——

Admiral KELSO. I feel they would use some of their submarines in that role, but I would hesitate to get into any detail in an open session.

SEALIFT

Senator BUMPERS. That brings me to my next question. Do you think that we have a serious shortage of sealift capability?

Admiral **Kelso**. Yes, sir. I think we have a significant problem as far as our merchant marine and the capabilities to lift cargo in wartime. As you know, the American merchant marine force is less than 500 ships today. There is not a new ship on the way that I am aware of in the United States, and no one is contemplating building one, and probably won't until we develop a national policy for merchant marine, different than the one we have today.

There has been a recent Commission report that I am sure you have seen, that has made some recommendations as to how to revitalize our merchant marine.

We are dependent today, from the standpoint of the sealift and resupply and sustainability effort, if we had a conflict in Europe, on our NATO allies for much of that shipping because we do not have enough that are U.S.-flagged.

It is a significant problem.

Senator **Bumpers**. Well, I agree with you, Admiral. But I must say that is just another case I can remember when I was on the Armed Services Committee many, many years ago. And we were talking about it then. Now, 14 years later, we are still talking about it.

And everybody talks a good game, but nothing ever seems to happen getting the sealift capability built.

Admiral **Kelso**. Sir, I think the issue is a fundamental economic issue; we have not been able to operate the merchant marine economically in this country such that it is profitable to haul American goods in our ships.

As Senator Inouye said earlier, I think we carry probably 5 or 6, or even a lesser percentage of our total goods in our merchant marine today. It is not an economical proposition and that is why nobody is building ships.

And that is the fundamental problem.

BUDGET CONSTRAINTS

Senator **Bumpers**. Admiral, let me ask you this. President Reagan's budget asked for a 2-percent real growth in defense spending. President Bush asked for a zero growth rate, though, I think there is some question as to whether the budget he submitted is actually a zero growth or not. But I think it is fair to say, given the budget constraints around here, which seems to be getting worse everyday, that you may very well be asked to take a cut, as the entire Navy and all the other branches will.

Are you prepared to tell us where you think you might be able to sustain a cut with the least amount of damage? Because I think you are going to have to answer that question, frankly.

Admiral **Kelso**. Yes, sir. I am sure I am going to have to answer that question. Senator Inouye asked me somewhat the same question earlier, and I deferred that question to the policymakers in the administration and Department of Defense.

Nevertheless, I think you are right. It is obvious to me we are going to have to take some cuts. But I think that is a policy decision that has got to be looked at as a total service, and I would be looking at it as a unified commander. I think we would need to look at it totally before we give your committee a recommendation.

SPARE PARTS

Senator **Bumpers**. Finally, Admiral, several years ago, when Admiral Kidd was your predecessor, I went down to Norfolk and I asked him if he had a choice to make between a nice, new 90,000-ton *Nimitz*-class carrier and a couple of warehouses full of spare parts, which would he take. And he said, I would take the warehouse full of spare parts in a bird-dog minute.

Is that still a problem?

Admiral **Kelso**. No, sir. At the time I think you are talking about I was working for Admiral Kidd. I am sure that he said that. I think I can say that the spare parts support that the armed services have had in the past few years—and I thank this committee for your continued support—has changed the warehouse inventory considerably; we are in pretty decent shape today as far as spare parts for our ships and our airplanes.

However, I worry about this when we talk about cutting the budget, because spare parts are usually cut when budget cuts are necessary. It is important to remember though that most spare parts have a leadtime of 1 to 2 years, when you cut the budget, you will not see the full impact for a year or two.

Overall, our bins are in pretty good shape for spare parts. There are places where we are short; and because of pending budget reductions in the coming years there are areas where we are going to have some shortages of spare parts again.

But, today, I do not think Admiral Kidd would tell you that. He would tell you that his spare parts warehouse was in pretty good shape.

ASW AGAINST SOVIETS

Senator **Bumpers**. Mr. Chairman, I do have one final question, I forgot, that I do want to ask the Admiral. And that is, I keep reading reports that the Soviet submarine fleet, at least the new portions of it, are becoming more difficult to find. And that our traditional systems are not going to be as effective in the future as they have been in the past because of obvious new technology that the Soviets are using to quiet their submarines.

And if you cannot answer this question in open session, or maybe you do not even know the answer to it, and I certainly will understand that, but most of us here, you know, we are terribly agitated. I think I was more agitated about this failure than almost anything else, the *Walker* case that severely compromised or any of the others, but I really think Toshiba knew what they were doing. And I am reluctant to say that, but I think they knew what they were doing.

And that whole scenario that gave, really, sophisticated technology to the Soviets, that brought this about, was really unpardonable. And I voted to censure Toshiba very severely over that.

Is it fair to say that, that is the reason they have apparently made fairly giant strides in this area?

Admiral **Kelso**. Well, I think that in addition to the Walkers, many other things that have happened over the past 20 years have certainly given them the ideas and the means to improve technology. In my view, to treat it in unclassified session, I always thought our capability was a matter of a technology race, and that is basically what we are in here. If you can cut time out of engineering as a result of espionage, then you take a lot of years off the time it takes you to to progress to current technology.

Nevertheless, I have to give the Soviets credit, they have done very well. You are certainly right, that in my career they have significantly improved their capability, particularly the quietness of their platforms.

Senator **Bumpers**. I think you put it better than I did. Because I always thought we had a 10- maybe 15-year lead on the Soviets in submarine technology. And now I do not think we have that.

Admiral **Kelso**. I would agree with you, sir. I think that it is even less than that. It is always very hard to measure, but they have made amazing improvements.

Senator **Bumpers**. Thank you, Admiral.

Thank you, Mr. Chairman.

Senator **Inouye**. Thank you.

Senator **Harkin**.

ASAT

Senator **Harkin**. Thank you Mr. Chairman. Admiral, I want to discuss several points that I covered with CINCPAC, Admiral Hardisty when he was here.

I looked at your priorities and noticed that you did not mention ASAT capability in your list of eight top priorities. As Commander in Chief of the Atlantic Command, you would be one of the prime users of ASAT weapons to destroy Soviet satellites.

Do you feel that these ocean reconnaissance satellites are not a major threat to the Atlantic fleet?

Admiral **Kelso**. No, sir. I think the reason you did not see ASAT in the IPL was because at the time that IPL was put together we had a moratorium on testing ASAT. It did not make much sense in my view to include the ASAT program as a priority unless we were going to be able to fully test the system.

I think that they are a threat to us. I do not think they are an absolute threat, but I think they are a threat. I particularly think our not having an ASAT capability makes it very easy for them to use their capability because we cannot do anything about it.

We need an ASAT capability both as a deterrent to their use and to give us an offensive capability if required.

Senator **Harkin**. What capability are you talking about them using?

Admiral **Kelso**. Well, they have an ASAT capability which they have tested. It is not effective at all orbits, but it is capable.

Senator **Harkin**. It is a limited coorbital ASAT system?

Admiral **Kelso**. Yes, sir.

Senator **Harkin**. It is very slow as I understand it. It takes 45 to 90 minutes to reach a satellite. They have a low capacity. They only have two launch pads at most, maybe three to four shots per day. And they have not tested it for over 6 years. If you had not tested something for over 6 years would you feel that you had a high confidence in its reliability?

Admiral **Kelso**. Probably not, sir.

Senator HARKIN. We keep hearing about the Soviet's ASAT capability. I just outlined for you what their capability is in ASAT, which they have not tested in over 6 years. It is only coorbital. We have 45 to 90 minutes warning time.

Let me ask you this. Do you believe that the Soviets would develop and deploy improved ASAT weapons if we developed and deployed improved ASAT's?

Admiral KELSO. They might, but they may do that anyway.

Senator HARKIN. OK. But if we do it they most certainly will. Would you agree with that?

Admiral KELSO. I would think that is true, sir.

Senator HARKIN. If you had your choice, would you prefer a world with highly capable, quick-acting ASAT weapons on both sides, so that both superpowers could be blinded earlier in some future war? Or would you prefer a world with verifiable bans on all ASAT weapons testing so that both sides would have the use of their satellites for reconnaissance and intelligence gathering purposes?

Admiral KELSO. Well, there is obviously only one answer to that. But I do not think that is the essence of the question today. The fact is that they have tested one and it has worked.

Now, I will admit that, as you say, they have not used it that much lately; but nevertheless it is a proven capability. I do not think we can afford to ignore the fact that it does exist, and that their capability exists, where we have no capability.

Senator HARKIN. But again, not having tested it for 6 years, and the fact that they could only do three to four shots a day, and being coorbital—that is like saying you have the capacity to fly, but we are going to give you a Piper Cub.

It is not a heck of a lot of capability that they have. We rely a great deal on our reconnaissance satellites, a great deal. In my opinion, and correct me if I am wrong, but I think that satellites provide stability. They provide stability on both sides. They have their satellites, we have ours. They provide stability.

If, in fact, we began to develop ASAT's that are quick-shooting ASAT's, highly reliable, I have no doubt in my mind—and, Admiral, I do not think you do either—that the Soviets will push ahead to take this capability that they have of the Piper Cub variety and make it go supersonic. They are going to move ahead on that, too, because they are not going to be left sitting behind.

Would you be willing to lose our reconnaissance and communication satellites in exchange for damaging their RORSAT's and EORSAT's? That is what we are getting down to if we both develop an ASAT capability.

You say they have one. But I am not certain that the capability that they have right now is all that much of a threat to us.

Admiral KELSO. Well, I believe that it is. I am a little worried about what I say in this forum, but I do believe that it is open knowledge that they have tested it and tested it successfully.

Senator HARKIN. That is open knowledge. They have tested it in the past.

Admiral KELSO. They have demonstrated the capability to do so.

Senator HARKIN. They had quite a few failures, if I am not mistaken, in their antisatellite program. But they have not tested it in over 6 years. And we do know what the tests involved. It is only a coorbital type of ASAT. So they can only get at a very few number of our reconnaissance satellites. We know the ones they can go after.

Again, if we want to deter Soviet ASAT use, then, it seems to me, that we are in a better position, and stability is enhanced if, in fact, we have a verifiable ban on ASAT testing.

And that is what I wanted to explore with you. As I explored with Admiral Hardisty, I do not know that all of this is being fully thought out; we seem to be pushing ahead for an ASAT capability just like we pushed ahead in MIRV'ing our missiles.

Well, fine. We might get a little window there, where we are ahead of them, but I have no doubt that they are going to catch up with us in a very short period of time. And then I think that would produce instability because either side could knock out their reconnaissance information satellites at a moment's notice.

They do not have that capability today. We would have fair warning. We would know long before they attack.

And again, I ask you these questions to make a record and to further stimulate your thinking on what really is most important.

Are our satellites more important for the intelligence and information we get from them? And again, we cannot discuss all of that in an open forum. Or is it more important for us to develop an ASAT capability so we can get their satellites? And what happens to stability?

And so, again, I would invite your thinking on ASAT's. I wanted to cover it and get it on the record; if you have any other further comments or observations.

Senator INOUYE. We will stand in recess for 10 minutes.

[A brief recess was taken.]

FIRE CONTROL/DAMAGE CONTROL

Senator INOUYE. We will resume our hearings.

During convoy duty in the Persian Gulf, we almost lost two frigates, the *Samuel Roberts* and the *Stark*. And the Navy claimed that the *Stark* showed some deficiency in firefighting training equipment and damage control. It also suggested that such lessons were instrumental in saving the *Roberts*.

At the request of the Department of Defense, we added $60 million for improvements and $96.5 million to repair the *Roberts*.

Did we learn any lessons from this experience? Did we change any ship design or training program?

Admiral KELSO. Yes. We learned a good bit in the damage control arena, as well as other lessons, Senator.

We have not redesigned all of our ships, because that takes time, of course. Some improvements must be delayed until the ship enters overhaul. In the case of the *Stark*, however, we immediately started implementing many of the lessons learned in damage control throughout the Navy.

We investigated areas such as what kind of fuel we were using in our P-250 pumps, and damage control materials that were exhausted in *Stark* and had to be replenished by other ships, such as damage control protective clothing, and specific tools to cut through steel decks and doors.

As quickly as we could buy those materials, we started putting them on ships that we were deploying in that part of the world. That effort has continued, to make sure that all of those ships have the best capability possible, and we will eventually outfit all of our ships in that manner.

At the time, we were making some basic changes to the ship design, and we have been incorporating these changes in new ships. We needed better isolation capability in some of our firefighting mains. We found in the case of the *Stark* that if the fire main broke in one place, it dumped water everywhere. We needed ways to quickly isolate it, and that is continuing to be done in current ship design, and during the overhaul periods of our other ships.

So I think the danger that we experienced in that part of the world greatly improved our training, and helped across the board in many, many ways. It is unfortunate that sometimes we have to suffer a tragedy to learn these lessons.

AEGIS SYSTEM

Senator INOUYE. I realize that there is a difference between open-ocean and close-in type of operations like the Persian Gulf. Have we been able to improve upon the AEGIS system to distinguish between aggressor and nonaggressor aircraft?

Admiral KELSO. I do not think the AEGIS system design has changed, and I do not know of any change since that incident that would allow you to say with certainty that a specific radar image is a particular type of airplane. AEGIS gives you an image on a screen that says there is an airplane there, but it does not necessarily tell you what kind of airplane it is.

I do not think the AEGIS system will ever be able to do that. It will take additional technology downstream to recognize and to classify exactly what the target is.

So I do not believe that is possible, Senator. With this system, it will tell you whether the target is there, and it will tell you which way it is moving. But to classify it, you are going to have to add some other information to it to be able to give you a definite classification of the target. Because that is not its designed function to do that.

Senator INOUYE. We appropriated, as you know, $96.5 million for the *Samuel Roberts*, and we have now been advised that you need just $60 million for that repair.

What do you propose we use the remainder for?

Admiral KELSO. I think that will resolve itself, Senator, as it normally does when we make an overcalculation in a ship repair and we save money. The service, in this case the Navy, normally reviews shortages and overages in the "Operations and maintenance" account several times during the year. The Navy will apply that money within congressional rules where they have a cost overage.

It might be in something like CHAMPUS, for example. CHAMPUS costs were higher that year than we had apportioned it to be.

And as you know, we cannot transfer money across many lines because the law does not allow us to do that.

But within a specific appropriation you give us the leeway and authority to do that, and I think that is how the money will be used. It is difficult for me to tell you how I would use the $30 million since I do not know what the shortages are. But I think that is the way it will be done, sir.

Senator INOUYE. We were advised that the Iraqi Government was to pay for the repairs of the *Stark*. But the latest information suggests that the Iraqis have not done so and may not be inclined to do so.

What programs have you had to set aside in order to make up for this repair of the *Stark*?

Admiral KELSO. If I could answer that for the record I would appreciate that, sir.

[The information follows:]

Navy costs associated with the damage to the *Stark* totaled $89,126,000 and included such costs as battle damage repairs, medical expenses, personnel compensation, memorial expenses, and travel. CINCLANTFLT's battle damage costs for repair of the *Stark* was $27,543,481. The Navy made a conscious effort to minimize the impact of *Stark* repairs on any single program within the Navy by amortizing the cost over many programs.

RULES OF ENGAGEMENT

Senator INOUYE. The difference in the Navy's handling of the captains of the *Stark* and *Vincennes*, has that sent a message to suggest that it might be better to fire than to be too cautious?

Admiral KELSO. Well, I am sure somebody could draw that conclusion, but I believe that you have to take each case separately. I happen to be the person who had to deal with the *Stark* case since *Stark* was assigned to the Atlantic Fleet. It is a difficult proposition to deal with a case like that in any situation.

I think that you need to look at each of them on an individual basis. What has transpired over a period of time has probably changed people's opinions as to what had actually happened.

The only specific signal that was intended was that each situation was very carefully reviewed before a final decision was made.

I truly believe that was very carefully done. Each situation was thoroughly investigated. We did not intend to send a signal, but we did intend to adjudicate each case based on the individual circumstances.

Senator INOUYE. Well, I realize that. Each case is different and there are other circumstances involved.

Considering the combat compatibility and the survival capability of the A-12 and the upgraded version of the A-6, which program should be given higher priority?

Admiral KELSO. Well, I think the capability of the A-12 is the technology of the future and we have to continue to develop that technology.

I would like to go back to the A-6 program for a minute. I agree with the USCINCLANT position of my predecessor, which supported the continuation of the A-6 aircraft because the A-12 is coming along in the future. We saw a need to continue to have the capability that the A-6 gives us during the transition to the A-12.

But that was a decision similar to what we have been talking about today. It was a tough budget decision. It was made at the Secretarial level, I am sure, in the Department of Defense, and they chose to close down the A–6 program and put priority on the A–12.

I believe if you were to choose between the two, they made the right decision. I would have liked to have seen us not shut down A–6 production until the A–12 was on the production line. But that decision has been made and I can support it, sir.

ASAT

Senator INOUYE. I have a question on the ASAT program, but I would like to submit this because it may require classified information.

UNITED STATES VERSUS SOVIET NAVY CAPABILITY

Senator INOUYE. Last year, the Chairman of the Joint Chiefs reported that Soviet inroads into the Navy's marginal superiority have been reversed and that the odds are high that the U.S. Navy, with allied support, could accomplish its mission against the Soviet Navy.

Is that generally agreed among all Navy officers, this overall net assessment?

Admiral KELSO. I think we feel that way; yes, sir. Particularly with the allied support, if it all comes. And, yes, I certainly feel better today than I did 10 years ago about that.

BURDENSHARING

Senator INOUYE. If you feel free to respond to this, I hope you will, otherwise you can do it in classified communication.

Which of the NATO allies are the best and the worst in terms of sharing your burden?

Admiral KELSO. In terms of what, sir?

Senator INOUYE. Sharing the naval burden? If you do not wish to?

Admiral KELSO. I would like to answer that for the record if I could, Senator.

[The information is provided in question and answer portion of hearing.]

Admiral KELSO. I do not know whether you are aware or not, but there is a fairly recent attempt in the NATO arena to provide a paper from Brussels on the burdensharing issue, which somewhat answers your question. It lays out where each nation spends their money and how much they spend.

I will submit that to you, and I will answer your question for the record, too.

[Information and report provided in question and answer portion of hearing in response to a question submitted by Senator Inouye.]

Senator INOUYE. I would appreciate that very much. Because the question of burdensharing, as you know, has become high on the list of concerns. I think most Americans, and it is reflected among their representatives here in the Senate and the House, have the impression that we are picking up the total load, or most of it and our friends abroad are doing almost nothing.

And I would like to get a paper from you as definitive as possible telling us what you think about this and what you think their contributions are. Because we do not hear too much about contributions that they have made in material terms such as real estate.

Admiral KELSO. I will be happy to do that, sir. I think I can say that their contributions are certainly significant in many areas. If you take a measure of their individual gross national products I think you can make a very strong argument that we provide a large percentage of the overall budget. Of course, we have a much larger gross national product than most of them do, too. But they do provide significant forces, and I would be happy to give you a paper on that.

It is not a clear picture, and obviously it changes, depending upon where you stand. I am sure you are aware, in certain parts of Europe today, they feel that they provide the land and areas where we train and those sorts of things. It is an argument that has many facets and many sides, and I will try to give you an answer.

FORWARD DEPLOYMENT IN EUROPE

Senator INOUYE. It is true that we are in NATO to assist our friends and allies to defend themselves, but equally as important if not more important, would you agree that we are there to protect ourselves?

Admiral KELSO. Yes, sir; I believe that. History would tell us that we are there to protect ourselves, as we tried to do at the end of the last major world conflict. We have stayed there since then to try to make sure we do not have another conflict.

I think we have a great stake in deterrence, and it is as important to any one of us as it is to all of us. It is what our effort there has done for 40 years, and it has been successful.

That is essentially how I see it, and I believe it has been good for all of us. It has been expensive, but the cost for conflict would probably be far more expensive, not only in economic terms, but in human terms.

I think that the essence of the issue is that we should share all existing burdens equally. The argument is, what is equal? Do you look at it from their side or from our side? It is a very difficult argument, and I recognize that there are significant numbers of people who feel that we have carried too much of the burden.

As I have said, I will try to help you with a paper on that.

SEALIFT

Senator INOUYE. I would appreciate that very much.

Admiral, as you recall, the first question I asked was on sealift, and several of my colleagues touched upon that. I think most Americans do not realize that our country is just about the only one that maintains a private merchant marine fleet.

When you deal with the Russians, you are dealing with the Government of the Soviet Union. And it is the same all over the world; that they may not own the fleets, but they subsidize it so heavily. The same thing with airlines. I think the U.S. airfleet is the only one privately owned. All the others are either owned partly or in total by the countries.

As a result, we find ourselves being the open trade-type boys. We are still open to bid the carriage of mail across the Atlantic. As a result, our companies cannot bid against these government companies. A Polish steamship company carries our mail to NATO now, and it is the same all over the world.

We have to provide our fleet a level playing field, for one thing. Every country has cargo preference and we are reluctant to do so. As a result, half of our foreign aid is carried by non-American ships.

Now they want to make it less than that. So we have our work cut out for us. I would like to be submitting to you, if I may, other questions that require classified response.

I would like to thank you for taking the time to be here with us today in this terrible snow. I can assure you that your insights on maritime defense issues and the needs of the men and women under your command will be helpful as we continue our deliberations this year.

This year, as I suggested to you during our private meeting, will be an exceedingly difficult one with the apparent shortage of funds. It will be my responsibility under our committee system to serve as your advocate whether you like it or not. I will have to serve as your spokesman on this committee, at least.

I appreciate your assistance in providing us information.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the Department for response for the record:]

Questions Submitted by Senator Inouye

DRUG INTERDICTION

Question. Admiral Kelso, in the past, witnesses have testified that flying and steaming hours for drug interdiction were not resourced. Last year $300 million was added for drug interdiction operations. A recent Department of Defense drug interdiction report claims that these funds should be used principally for procurement and not for flying and steaming hours.

Admiral, you have principal control of our defense forces that would be used for drug interdiction. Did you review this report? Is it correct that you do not require additional funding for drug interdiction operations?

Admiral, what are your procurement priorities for drug interdiction?

Do you think it would be feasible to "seal our borders" against the transit of illegal narcotics?

Answer. It is not correct that "additional funding will not be required for drug interdiction operations." Let me first state that recent anti-drug legislation gave the DOD lead agency status for detection and monitoring, which is quite different than interdiction operations. In the past, the majority of our support was aligned with equivalent training, and the costs were absorbed as part of those training missions. Anti-drug operations now require dedicated missions with air and maritime resources scheduled specifically for those operations; and not ancillary to training requirements. Additional funding is required for those detection/monitoring operations; and funds for flying hours, steaming days, and equipment procurement have been identified to appropriate DOD agencies. The estimate for additional funding requirements through the end of the fiscal year total approximately $32M and include costs for flying hours, steaming days, personnel, and procurement of equipment necessary to command and control detection/monitoring assets and permit connectivity with all DOD and non-DOD agencies involved in anti-drug operations.

Our procurement priorities are in two key areas. First are those items of equipment which will permit secure voice and data connectivity with tactical assets, intelligence sources, and agencies controlling interdiction assets. Second is procurement of equipment to establish an intelligence fusion center to sort through data on suspect narco-traffickers, cue on profile targets, and provide that information to appropriate law enforcement agencies.

It would be infeasible as well as cost prohibitive to attempt to "seal our country's borders." I say this not because it would be militarily impossible, but because of the scope of the operation required. We have already witnessed the ability of the narco-traffickers to alter shipment means and paths based on recurring successes and failures. When we seal the southeast, the west coast seizures increase. When we surge our operations and close the east and west coasts, our borders with Canada and Mexico become the preferred shipment routes. When we surge and attempt to shut off all suspect maritime and air traffic, increases in container shipping result. The problem therefore becomes one of sealing the borders against maritime and air traffic as well as stopping ground traffic, container shipments, and personnel couriers. Finally, there are several current reports which list our country as a marijuana exporting nation. The scope of the problem therefore touches not only our borders but our land mass as well.

ANTISATELLITE [ASAT] ISSUES

Question. Admiral Kelso, 2 years ago the Commander in Chief of the U.S. Pacific Fleet dismissed the vulnerability of carrier battle groups to Soviet satellites and testified that: "Through our deceptive formations and other tactics, we avoid detection and we have proven we know how to manage the Soviet ocean surveillance systems."

Congress is being requested this year to fund an expensive, new anti-satellite program. There may be other military reasons for this program, but do not these statements by CINCPACFLT undercut contentions that a U.S. anti-satellite capability is needed to protect Navy carrier battle groups from Soviet surveillance satellites?

What additional information exists now—compared with 2 years ago—which would justify any judgment that the threat to the U.S. Navy from Soviet ocean surveillance satellites has changed for the present and future?

Can you give us some insights in open session as to how Navy assets assigned to you as Supreme Allied Commander, Atlantic, would use tactics and any other capabilities to avoid detection or targeting by Soviet surveillance satellites? Please provide a detailed, classified statement for the record.

Answer. [Deleted.]

UNITED STATES/NATO—SOVIET NAVAL BALANCE

Question. Last year, the Chairman of the Joint Chiefs, Admiral Crowe, reported that Soviet inroads into the U.S. Navy's margin of superiority have been reversed and that the "odds are high" that the U.S. Navy, with allied support, could accomplish its missions against the Soviet Navy.

Do you agree with this overall net assessment, and how would you apply this net assessment to the naval balance between NATO and the Warsaw Pact?

Which NATO allies are the best and worst in terms of sharing the naval burden, and which clearly can and should do more to improve their naval capabilities?

What are the principal strengths and weaknesses of the navies of our NATO allies in general, and with respect to particular nations?

Which allied navies can and cannot accomplish their NATO-assigned missions? For those navies which cannot accomplish their NATO missions, have their governments programmed and financed—within the next 5 years—the combat improvements needed for them to be able to accomplish these missions?

What reasonable prospects exist for the U.S. to obtain increased allied burdensharing in the naval area?

Answer. [Deleted.]

The Naval arena is certainly an area of overall success in terms of appropriate sharing of the NATO burden. Allied countries continue to provide excellent support to the NATO Naval effort. Our allies provide 100 percent of all mine countermeasure ships, 100 percent of our diesel submarines, over 50 percent of all reinforcement and resupply ships, almost 50% of all escort ships. It is also difficult to split out naval burdensharing from overall burdensharing as some of the NATO allies are historical land powers and provide much to NATO in the form of land forces, air power and garrisoning facilities, while providing less sea power. To look at a particular nation's naval contribution alone is far too narrow of an approach.

For the same reasons that we do, our allies base their naval efforts on their NATO and national commitments. Most of our allies perceive that they have less of a global commitment than the U.S. and their naval structure reflects this. The allied navies are strong in escorts, mine countermeasure ships, diesel submarines and reinforcement/resupply ships. They are purposefully weak in carriers, nuclear submarines, battleships, and other larger size, power projection combatants.

Currently, all allied navies can meet their assigned missions within the NATO naval structure.

Prospects are good for increased allied naval burdensharing. With the ongoing integration of Spain into NATO, the addition of the Spanish Navy into NATO will certainly help. Improved exercises with the French will also increase NATO's capability. The Portuguese are improving with their MEKO Frigates and acquisition of P-3's for ASW. The NATO Frigate program is also a step in the right direction. West Germany and the Netherlands continue to improve their ASW capability. We continue to improve the already excellent interoperability between Great Britain, Canada, and the U.S. Attached is the most recent NATO report on the burdensharing issue. This document is the best available source of the current efforts of our allies to share the burdens of defense.

ENHANCING ALLIANCE COLLECTIVE SECURITY
SHARED ROLES, RISKS AND RESPONSIBILITIES IN THE ALLIANCE

A REPORT BY NATO'S DEFENCE PLANNING COMMITTEE(1)

EXECUTIVE SUMMARY

1. The primary objective of the Alliance is to preserve the peace and freedom of its members through the maintenance of effective deterrence and defence. In seeking to achieve this end it is a matter of great importance to the Alliance that the roles, risks and responsibilities as well as the benefits of the collective defence be shared, and be perceived to be shared, in an equitable manner. This is a prerequisite for the maintenance of Alliance cohesion and solidarity.

2. The issue is complex. It must be seen in the context of the global situation and on what needs to be done to enhance Alliance collective security. The defence and security requirements to be addressed must be based on a consensus on what constitutes the risk to global and regional stability and how that risk may change in the light of a changing world situation. The support of Alliance publics is, and will continue to be, a key determinant in improving prospects for enhanced security and, thereby, peace and stability.

3. With regard to the common defence, the sharing of roles, risks and responsibilities embraces a wide range of contributions by member countries: financial and human resources, land and facilities, services and sacrifices, co-operation and solidarity. Moreover, the provision of money and people is not an end in itself. What counts is how these inputs are translated into defence capabilities. Some of these contributions are quantifiable but many are not. Precise comparisons of one type of contribution with another are not possible. Perceptions vary of the value and the cost of individual contributions and are also affected by what is considered a reasonable balance between burdens and benefits.

4. Aware of the complexity, but also of the importance of this issue, the Executive Working Group has concluded a thorough review of a wide range of factors that are relevant to the sharing of roles, risks and responsibilities in the Alliance. The review has concluded that, as the Alliance approaches its fortieth anniversary, its strength and cohesion remain as firm as ever, with continuing major contributions being made by both the European and North American pillars of the Alliance. These contributions are, moreover, being significantly enhanced not least as a result of the Conventional Defence Improvements Programme. The enduring vitality of the Alliance is also evidenced by the successful way it has risen to recent challenges. These include: the solidarity of Allied countries that led to the conclusion of the INF Treaty, the rebasing and funding arrangements for the US 401st Tactical Fighter Wing, the formation of a NATO Composite Force as a collective contribution to the defence of North Norway and the successful conclusion of the guidelines for the co-ordination agreements for Spanish forces. The revitalisation and enlargement of the Western European Union and the work of the Independent European Programme

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(1) The members of the Defence Planning Committee are Belgium, Canada, Denmark, Germany, Greece, Iceland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Turkey, the United Kingdom and the United States.

Group also indicate a conviction among European members of the Alliance that a more united Europe will make a stronger contribution to the Alliance. In addition to their efforts within the Alliance members also make contributions to enhancing wider security; for example by their support for United Nations peacekeeping activities and foreign aid to the third world.

5. The detailed review of the sharing of roles, risks and responsibilities has shown that there are significant differences between individual national contributions. While no one indicator can be used in isolation to draw conclusions concerning the equity of the sharing arrangement, seen together the group of indicators does provide a meaningful summary of the overall level of contribution by individual Allies and underlines those aspects that require increased effort.

6. Against these criteria, the review acknowledges both the major and irreplaceable contribution to Alliance security made by the United States strategic, theatre nuclear and coventional forces, and the substantial and diverse efforts made by the European Allies and Canada. These efforts are reflected not only in the men and equipment provided for the collective defence, but also in a range of social, political and economic costs. In terms of more easily quantifiable contributions to in-place forces in Europe, the review notes that the European members of the Alliance's integrated military structure provide 90% of the manpower, 70% of the tanks, 80% of the artillery, 80% of the combat aircraft, more than half of the major warships, 70% of the submarines and most of the mine countermeasure vessels. They also make a major contribution through host nation support and common or joint funding programmes. The review goes on to note that all member countries contribute to Alliance cohesion by supporting the nuclear element of the Alliance strategy of deterrence. The United Kingdom maintains its own strategic and theatre nuclear forces assigned to the Alliance, and seven European Allies share the political and financial costs of direct participation in the Alliance's theatre nuclear role, which provides essential linkage between conventional and strategic forces. Turning to less easily quantifiable factors, the review stresses the density of military activity on European territory, especially the unusually high social cost borne by the German public. It also recognises the political, social and military implications of conscription for a number of European countries.

7. Areas where improvements could be made, highlighted in the review, include the level of resources committed to the defence effort, the response to Alliance force goals, the extent to which individual forces are modernised and can be sustained, and the degree of co-operation rendered to strengthening the Alliance defence through assistance to the three Allies with less developed defence industries (LDDI), Greece, Portugal and Turkey. The assessment concludes that in each of these areas there are wide disparities in the level of effort made by members of the Alliance. Many countries provide a substantial contribution in some or all of these areas. But in each of these there is scope for a number of Allies to do more. The review analyses these variations in performance and recommends areas where individual countries should seek to improve their contributions.

8. In addition to the specific improvements required from individual countries, a number of further near term and longer term measures are identified which would enhance collective security. Countries individually and the Alliance collectively should continue rigorously to pursue greater efficiency and improved value for the money spent on defence. Countries should make every effort to improve the status and level of allocation

of forces to the Alliance, to provide adequate contributions to common-funded programmes and in particular the funds to move the US 401st Tactical Fighter Wing from Spain to Italy without detriment to other valid elements of the infrastructure programme, to consider further contributions to the programme of regional stocks under CINCSOUTH's control, and to promote greater efficiency in procurement practices, including improved armaments co-operation and full support for the trial of the Alliance Conventional Armaments Planning System. Other areas for enhancement include NATO's ACE Mobile Force, the Composite Force designed to contribute to the defence of North Norway, the on-call naval force in the Mediterranean, the Airborne Early Warning force, an airborne tanker capability, and host nation support. An improved effort or positive response in some or all of these areas would be a clear indication of the willingness of individual nations to assume a more appropriate share of the roles, risks and responsibilities in the common defence. The satisfactory conclusion of consultations with Spain on the modalities of a future Spanish defence contribution would also further enhance collective security.

9. Longer term efforts need to focus on ways of enhancing the Alliance's defence capabilities by the better co-ordination and rationalisation of national efforts, including optimal use of the unique capabilities and strengths of individual Allies, and economies in training and logistics through elimination of duplication of effort. In addition a more effective use of reserve and mobilisation potential of countries requires attention on an individual and collective basis. A further long term prospect is the need to identify and pursue other common funding opportunities.

10. An effective collective defence is an essential prerequisite for progress in arms control and disarmament. Adhering to this principle, and maintaining their solidarity in this important area, the members of the Alliance should pursue arms control and disarmament initiatives that maintain or enhance security and stability.

11. The review concludes that there are two fundamental issues to be emphasised by all countries. The first is the need both to commit an adequate level of resources to defence and to ensure that they are used as efficiently as possible, in order to be able to maintain or assume a fair share of the roles, risks and responsibilities of the collective defence, noting that for some countries particular efforts will be necessary. The second is the requirement to develop and maintain the necessary public support for defence and security.

12. NATO's Defence Planning Committee in Permanent Session will oversee the follow-up action required as a result of this review. Since the equitable sharing of roles, risks and responsibilities in the collective defence is a fundamental and agreed principle it must remain an important factor in the conduct of all Alliance business. With this in mind, and to the extent possible, the situation will be monitored and progress pursued through existing NATO bodies and procedures, with the Executive Working Group continuing to play a co-ordinating role.

ENHANCING ALLIANCE COLLECTIVE SECURITY
SHARED ROLES, RISKS AND RESPONSIBILITIES IN THE ALLIANCE

PART I - INTRODUCTION

GENERAL

1. The security of Europe and North America is inextricably linked and depends upon a strong North Atlantic Alliance, whose cornerstone is the principle that an attack on any one Alliance member is considered to be an attack on all. Since 1949 this growing association of sovereign nations has provided both Europe and North America with an unprecedented period of peace, stability and evolving prosperity and, as such, has provided a resolute foundation for Western security.

2. Alliance collective security presumes collective responsibility, which in turn necessitates an equitable sharing of the roles, risks and responsibilities and of the associated burdens, as well as the benefits, of the arrangement. The summit meeting of Heads of State and Government in March 1988 explicitly confirmed this fundamental principle of the Alliance. Foreign and Defence Ministers also addressed the subject in Spring 1988 Ministerial sessions; the former resolving to renew efforts to maintain, under evolving circumstances, a fair partnership, mindful of the structure of the Alliance; the latter commissioning a review of the issue by NATO's Executive Working Group (EWG).

THE ISSUE

A. The Burden

3. Although the sharing of roles, risks and responsibilities (and not least: the benefits) involves much more than just the burden of contributing to collective defence, it is this latter aspect which through the years has attracted most attention. And it is indeed of great importance, as recognized in the current Ministerial Guidance and many other NATO documents, that the burden of defence be shared, and be seen to be shared, equitably. It is a prerequisite for maintaining solidarity and cohesion. It therefore constitutes a permanent and major challenge both to the individual members and to the collective organs of the Alliance.

4. When reviewing how well this challenge is currently being met, or attempting to determine how it could better be met in the future, one must be aware of the complexity of the issue. It is occasionally reduced to the analysis of one or two simple and easily understandable indicators, such as the percentage of GDP devoted to defence. This can be misleading. Making available money for defence constitutes no doubt an important part of the burden of defence. But making available people and space, accepting limitations in personal freedom or the quality of life, braving internal or external tensions, and different degrees of exposure or vulnerability are by no means less important elements of the overall burden. These aspects are of special importance for countries which, due to geographic location, must render considerable effort in a non-quantifiable way and where these efforts involve, at the same time, considerable non-financial burdens for the population concerned.

5. There are, therefore, quantifiable and non-quantifiable components to Allies' contributions to the common defence. And these do not lend themselves to a simple

addition or aggregation. Even those which are quantifiable are generally incommensurable with each other. To take two of the most easily quantifiable factors out of the complex equation: one member of the Alliance devotes more than 6% of its GDP to defence and has active and reserve forces amounting to about 2% of its population. Another makes available 3% of GDP and can mobilize over 7% of its population. Which of the two constitutes the heavier burden is very much a matter of subjective perception. And which is the more efficient way of contributing to collective security is a quite separate issue - though also both important and difficult to assess. Of decisive importance is the political will of the NATO member countries to contribute to the best of their abilities to the common efforts.

6. The fact that it is difficult to assess and meaningfully compare the relative weights of defence contributions made by individual members does not mean that the subject cannot or should not be dealt with. It needs to be addressed by the Alliance on a recurring basis because, as stated, it is a prerequisite for maintaining the solidarity and cohesion of the Allies. Therefore, one goal of this review is to recognise the need for and to make progress towards developing objective and accepted burden-sharing indicators. But in order to deal with it on a rational basis due attention must be given to its complexity and to its setting: the broad spectrum of interests that underpin the Alliance.

7. On this basis the defence contributions of Alliance members are regularly analysed, most notably by the Annual Defence Review under the aegis of the DPC and in the reports to the US Congress on burden-sharing annually prepared by the United States Secretary of Defense. Both present and assess a wide range of relevant indicators and while concentrating on those which are quantifiable and therefore more easily measurable, they include references to non-quantifiable and less tangible aspects as well. But both are somewhat limited in scope and in particular in the context within which they address the issue. The United States reports on Allied contributions to the common defence are just that - reports on how allies of the United States, not exclusively within NATO, share with the United States the responsibilities of common defence as reflected in the selected indicators. In NATO's Annual Defence Review the defence contributions of individual Allies - again as reflected in selected indicators - are analysed, and compared with others, primarily under the aspect of whether the country concerned should be able to fulfil (or to do better with regard to) NATO force goals.

8. The mandate given by Defence Ministers for the current examination by the EWG has a broader scope. It asks for an examination of "the progress achieved and the problems encountered" and states that this examination should be conducted "from the perspective of maintaining the cohesion of the collective defence effort in an equitable and effective manner and providing the necessary resources, recognising the need for a fair share of the roles, risks and responsibilities as well as benefits of the common defence".

B. The Benefits

9. If the assessment of the relative weights of defence contributions is difficult, so also is that of the benefits. Again there is the temptation to oversimplify, to take a part of the picture for the whole. Thus - sometimes as justification for more equitable burden-sharing - the view is held that all members of the Alliance benefit equally from the overall defence effort,

because all enjoy its most important results, peace. Hence by this reasoning all should pay, proportionately, the same. But there are other things to consider too.

10. One concerns the way in which the money for defence is being spent. It obviously makes a difference whether funds appropriated in a national defence budget subsequently disappear from the economy of that country, e.g. for arms purchases abroad, or whether they translate into the introduction or the promotion of new technologies, jobs, profits, taxes and consumption within their own economy. Such effects need to be weighed with the budgetary benefits of importing when this is cheaper. Nonetheless, the degree of development of the national defence industrial base is an important factor which affects both competitiveness and the economic benefits of the countries.

11. Another consideration is that a country's defence effort does not just pay off in terms of peace between NATO and the Warsaw Pact. It may also pay off in terms of influence, within the Alliance and outside the Alliance. The United States, for example, as a super power, needs and uses its military capabilities to promote or protect its interests on a global scale. The other allies, to different degrees, play a more modest role in world affairs. Through its position of leadership in the Alliance the United States global influence can be enhanced by the general support of 15 other independent and democratic countries. On the other hand, other member countries obtain, through membership in the Alliance and participation in the collective defence arrangements and consultations, influence in areas in which they might otherwise have less or none, e.g. with regard to nuclear weapon policy.

12. All of this determines the price which nations are willing and should reasonably be expected to pay for their investments in defence capabilities. In other words, there needs to be a balance between the burdens and the benefits. What constitutes a reasonable balance is in the first place for each sovereign nation to determine. But for a member of an alliance this balance must also be seen as part of the wider balance of burdens and benefits on an alliance scale. In this context equity - the general belief that the burdens and benefits are equitably shared amongst all allies - plays a large role in sustaining public support for NATO and a continued contribution to collective defence. However, if it is difficult to define and to measure the burdens and it is difficult to define and to measure the benefits, it is obviously even more difficult to reach common understandings on how to balance the two.

C. The Roles, Risks and Responsibilities

13. It is because of the difficulty which these exact measurements of burdens and benefits present that the Ministerial mandate has taken the broader and more forward-looking approach of addressing the issue under the heading of shared roles, risks and responsibilities. It also follows from the above that this is not a bilateral issue concerning exclusively or primarily the relationship between North America and Europe or between the United States and all other members of the Alliance, but one which concerns all members in their relationships with each other. Nevertheless it is a fact of life that the most important military contribution to collective defence, that of the United States, is subject to a particular scrutiny by the United States Congress under the aspect of burden-sharing, and that the perception that the United States is carrying an unduly high

share of the burden will have far-reaching consequences for NATO's overall defence posture. Hence the relationship between the contribution of the United States and that of the other allies will have to be given particular attention, especially considering the relative increase over the decades in the economic strength and political potential of Allies.

THE ISSUE IN THE CONTEXT OF GLOBAL CHALLENGES

14. There are particular reasons apart from the perennial and legitimate concern for a reasonable balance of burdens and benefits, why the current examination of the issue is timely. Political challenges and opportunities at this juncture come from within, as well as from outside, the Alliance. Inside NATO, conditions are developing for a more balanced relationship between the two sides of the Atlantic, with the emergence of Western Europe into a stronger and more cohesive entity. At the same time relations with the East could be on the verge of a new departure. Should recent positive signs be sustained, they could pave the way for a new era of confidence and negotiation and, perhaps, a re-ordering of the relationship with the East.

15. Nevertheless, in examining the sharing of roles, risks and responsibilities, it is essential that defence requirements and the Alliance security posture be based firmly on an evaluation of Warsaw Pact capabilities. Soviet defence spending, force posture and overall military capability show no significant signs of change; indeed, at this time, Soviet defence efforts continue unabated despite the welcome progress achieved in arms control and political dialogue. The maintenance of a strong deterrent and an effective defence posture is therefore a prudent and necessary insurance policy in the interests both of maintaining stability and of providing a secure and clear basis for negotiations aimed at genuine arms reductions designed to enhance Alliance security interests.

16. In addition to these global political developments and the requirement to maintain a strong defence the Alliance is faced with economic challenges. The state of world economy and of individual national economies is such that many countries are seriously reassessing their public expenditure patterns and priorities, in which defence, of course, constitutes a major factor.

17. The re-emergence of the burden-sharing issue within NATO must therefore be seen in the context of broad new trends in the international arena. As such it constitutes but a part, albeit an extremely relevant one, of the complex political and economic challenges that the Alliance will be called to face in future years. Many countries are individually and collectively re-assessing the ability and the need to invest in defence, which might well signal that the Alliance is at the turning point in one of the cyclical ups and downs of the defence effort, or at least at a point where the direction is subject to more important adjustments than is usual in the ordinary year-to-year course of events. At such a time it is appropriate and necessary for Allies to reflect together on what can and must be done so that new opportunities are exploited and remaining challenges and responsibilities not neglected.

18. The sharing of roles, risks and responsibilities within the Alliance must, therefore, continue to be based on consensus on what constitutes the risk to global and regional stability, how that risk may change in the light of a changing world situation, and what defence capabilities will be needed to enhance security and to maintain stability. The support of Alliance publics is, and will continue to be, a key determinant in improving prospects for enhanced security and, thereby, peace and stability.

PART II - AN ASSESSMENT OF THE SHARING OF ROLES, RISKS AND RESPONSIBILITIES

INTRODUCTION

19. The security of NATO members is guaranteed by the maintenance of a credible forward defence posture. This strategy is supported by NATO collective defence arrangements and by the military forces of NATO members. It is also supported by the contributions of countries to the wider security effort. Political resolve and public support for national policies in regard to defence and security matters are critical to the level of national effort and, ultimately, to the success of overall Alliance collective security.

20. In assessing the manner in which the roles, risks and responsibilities are shared in the collective interest it is necessary to examine two perspectives; first the sharing of the common defence from a point of view of input, output and co-operation, and second the sharing of wider security responsibilities, interests and concerns. Given the limitations of individual indicators referred to in part I, it is necessary, therefore, to use as wide a range of relevant information as possible in order to attain a general picture of the way in which the roles, risks and responsibilities are shared in support of Alliance objectives and the common interest.

THE INPUT

General

21. Member countries make available two significant resources for the defence effort: money and people. For NATO purposes defence expenditure is defined in the Defence Planning Questionnaire; this definition may differ somewhat from national definitions. The contribution of people in NATO statistics is usually represented as the percentage of the labour force committed to defence on a full-time basis. In addition, however, due recognition should also be given to mobilisable reserves.

Percentage of GDP devoted to defence

22. In the burden-sharing context this is the best-known, most easily understood, most widely used and perhaps the most telling input measure. It broadly depicts defence input in relation to a country's ability to contribute. It takes rich and poor members' status into consideration (though it could be argued that countries with low GDP per capita should have also relatively lower shares) and is not subject to distortion by exchange rate fluctuation. It is regularly analysed during the Alliance annual defence review and is a baseline reference for the biennial ministerial guidance.

23. Ministerial Guidance 1987 states that countries below the median should make a special effort to improve their performance under this criterion. In 1986 and 1987, the median was slightly above 3%. At one end of the scale with well over 4% and up to more than 6% are Greece, Turkey, the United Kingdom and the United States; at the lower end from about 2.5% down to just over 1% are Canada, Denmark, Italy, Luxembourg and Spain. The remainder are in the 3 to 3.5% range of GDP. A look at recent trends reveals that a number of member countries are gradually declining in percentage of GDP devoted to defence. This is true irrespective of whether a country's economy and hence GDP is growing rapidly, or slowly, or even declining and is true for members at both ends of the spectrum. Only Italy, Luxembourg, Norway and Spain have been maintaining a consistent level or

increasing slightly, but this must be viewed in light of the relatively low overall percentages (except for Norway they all belong to the bottom group) and of the quantity and quality of past and present defence efforts. The agreements in 1984/1985 to improve conventional defences and to make available the necessary resources, confirmed in Ministerial Guidance 1987, have not visibly affected this trend, except perhaps in the sense of preventing a steeper decline. The estimates for 1988 and 1989 point towards a continuation of the downward development.

24. In isolation these statistics do not permit conclusions to be drawn on what needs to be done to meet the threat or to ensure an equitable sharing of the defence burden. The evident differences in performance under this criterion may be due to a variety of factors and might be balanced off by contributions to the collective security not expressed in terms of defence expenditure. A further limitation of this criterion is that it does not reflect the differences in economic and social structures in member countries. But the statistics do show that several countries carry a considerably higher financial burden than most others and in that sense is one indicator of performance. They also show that most countries have, in the recent past, devoted higher shares of their GDP to defence than they are doing at present.

25. The tables on the following 2 pages show the defence expenditures of Allies as a percentage of GDP in both current and constant prices.

Growth in defence spending

26. This shows changes in expenditures from year to year and is also a widely used and easily understood indicator. It tends to de-emphasise overall level of defence effort, comparisons over time are highly dependent upon the base year selected, and a further limitation is the problem of the application, or otherwise, of defence deflators.

27. Viewed over a longer term a number of pictures and trends emerge, not the least of which are a relatively steady and stronger overall growth in most European nations for the past two decades and a more erratic picture for the US, in the main owing to consequences of the Vietnam war. Beginning with the Alliance study of defence problems in the 70s (AD 70), to the present (1970-1988), European members on average have increased defence spending by some 34%; over the same period the United States' increase has been 15%.

28. Since 1977 growth in defence expenditure is the main criterion used in the resource guidance of Ministerial Guidances, which have consistently called for annual real increases in the region of 3%, with various qualifications including the need to take into account past performance. For this reason input statistics in this review focus on this past 10 year period. On average during the past 10 years Canada, Italy, Luxembourg, Norway, Spain, Turkey, the United Kingdom and the United States have generally achieved the 3% goal; Belgium, Denmark, Germany and Greece have, on average, the smallest growth rates. Although some countries have improved performance in the last five years (Canada, Greece, Italy, Netherlands, Norway, Turkey and the United States), performance in general has been somewhat less successful and this downward trend generally seems set to continue.

Defence Expenditures as % of GDP

(based on current prices)

Country	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	Average 78-87	Average 83-87
Belgium	3.34	3.34	3.35	3.52	3.40	3.32	3.15	3.05	3.03	2.99	2.87	3.25	3.11
Canada	1.94	1.83	1.88	1.91	2.10	2.19	2.21	2.17	2.17	2.13	2.08	2.05	2.17
Denmark	2.41	2.32	2.44	2.53	2.51	2.45	2.31	2.15	2.00	2.11	2.17	2.32	2.20
Germany	3.35	3.26	3.28	3.39	3.39	3.37	3.26	3.20	3.10	3.05	2.98	3.26	3.20
Greece	6.70	6.28	5.67	6.97	6.85	6.28	7.15	6.97	6.11	6.15	6.59	6.50	6.52
Italy	2.07	2.08	2.10	2.11	2.26	2.28	2.28	2.31	2.24	2.44	2.39	2.21	2.31
Luxembourg	1.03	1.02	1.15	1.21	1.19	1.20	1.15	1.09	1.08	1.21	1.27	1.13	1.15
Netherlands	3.08	3.20	3.11	3.20	3.22	3.19	3.19	3.10	3.05	3.05	2.99	3.14	3.11
Norway	3.22	3.08	2.89	2.89	3.02	3.08	2.80	3.08	3.11	3.36	3.28	3.05	3.08
Portugal	3.47	3.46	3.46	3.46	3.45	3.34	3.28	3.16	3.20	3.11	3.13	3.34	3.22
Spain	2.03	2.13	2.30	2.36	2.38	2.43	2.37	2.42	2.24	2.40	2.20	2.31	2.37
Turkey	5.43	4.55	4.58	5.11	5.13	4.82	4.37	4.44	4.77	4.44	4.37	4.75	4.56
United Kingdom	4.61	4.85	5.02	5.14	5.39	5.28	5.49	5.23	4.99	4.73	4.48	5.07	5.14
United States	4.80	4.80	5.14	5.40	6.09	6.37	6.22	6.52	6.72	6.50	6.07	5.81	6.46

Defence Expenditures as % of GDP

(based on constant prices)

Country	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	Average 78-87	Average 83-87
Belgium	3.43	3.43	3.35	3.43	3.37	3.36	3.24	3.20	3.27	3.24	3.10	3.33	3.26
Canada	1.90	1.82	1.88	1.91	2.10	2.19	2.21	2.17	2.17	2.13	2.08	2.04	2.17
Denmark	2.49	2.41	2.44	2.47	2.40	2.36	2.23	2.16	2.08	2.15	2.22	2.32	2.20
Germany	3.35	3.26	3.28	3.39	3.39	3.37	3.26	3.20	3.10	3.05	2.98	3.26	3.20
Greece	6.70	6.28	5.67	6.97	6.85	6.28	7.15	6.97	6.11	6.15	6.59	6.50	6.52
Italy	2.13	2.08	2.10	2.07	2.13	2.17	2.15	2.16	2.12	2.18	2.10	2.13	2.16
Luxembourg	1.00	1.00	1.15	1.21	1.24	1.25	1.18	1.12	1.11	1.23	1.29	1.15	1.18
Netherlands	3.15	3.21	3.11	3.26	3.38	3.35	3.35	3.28	3.33	3.30	3.26	3.27	3.32
Norway	3.05	2.96	2.89	2.95	3.05	3.04	2.74	2.99	2.82	3.11	3.06	2.96	2.93
Portugal	3.44	3.42	3.46	3.46	3.45	3.34	3.28	3.16	3.20	3.11	3.13	3.33	3.22
Spain	2.03	2.13	2.30	2.36	2.38	2.43	2.37	2.42	2.24	2.40	2.20	2.31	2.37
Turkey	4.41	4.57	4.58	4.48	4.48	4.14	3.86	3.99	4.17	3.83	3.87	4.24	4.00
United Kingdom	4.73	4.78	5.02	5.15	5.40	5.24	5.33	5.14	4.83	4.54	4.26	5.01	5.01
United States	4.87	4.93	5.14	5.19	5.69	5.90	5.77	6.00	6.21	6.05	5.59	5.55	5.98

Annual Volume of Change of Defence Expenditures (%)

Country	1978	1979	1980	1981	1982	1983	1984	1965	1986	1987	1988	Average 78-87	Average 83-87
Belgium	6.65	2.17	1.94	0.89	-0.11	-0.42	-1.31	0.13	4.50	0.85	-2.64	0.95	0.49
Canada	-0.16	-0.90	5.08	3.13	4.89	8.01	7.22	2.44	2.89	2.18	1.91	3.75	4.36
Denmark	4.12	0.25	0.66	0.56	-0.27	0.81	-1.12	0.91	-0.33	2.25	2.86	0.30	-0.02
Germany	2.63	1.50	1.95	3.42	-0.44	0.88	-0.65	0.20	-0.56	-0.06	-0.25	1.13	-0.32
Greece	1.77	-2.80	-8.23	23.01	-1.37	-7.88	16.92	0.62	-11.37	0.35	10.04	1.00	4.17
Italy	1.43	2.63	4.90	-0.50	3.13	2.48	2.81	3.00	1.03	5.82	-1.06	2.62	2.89
Luxembourg	7.87	3.52	16.33	4.77	3.92	3.44	0.47	-1.51	3.59	13.39	7.05	5.44	1.78
Netherlands	-4.83	4.24	-2.11	4.18	2.13	0.51	3.19	0.19	3.80	1.71	0.29	1.94	2.25
Norway	7.76	1.93	1.77	2.67	4.15	3.99	-4.60	15.18	-1.80	10.52	-1.30	2.83	3.14
Portugal	1.79	5.59	6.03	1.03	0.59	-3.07	-4.57	-0.78	6.33	1.16	4.97	1.85	-0.74
Spain	2.09	4.77	9.32	2.26	1.86	4.28	-0.94	4.41	-4.46	12.77	-4.62	3.87	1.26
Turkey	0.02	2.58	2.05	1.80	4.58	-4.43	-1.27	8.49	13.00	-1.27	3.36	2.24	4.44
United Kingdom	-0.59	3.03	2.81	1.42	5.97	0.43	3.97	-0.09	-3.18	-2.00	-3.13	2.29	0.69
United States	1.58	3.26	4.25	4.64	6.98	7.85	4.68	7.25	6.68	0.12	-4.94	5.18	5.37

The averages are calculated by using the method described in DRC/N(85)36, paragraph 11 (b) and appendix 1.

Personnel committed to the defence effort

29. Basically, two types of personnel contributions are relevant; the active duty personnel and the mobilisable reserves. The following two tables show that national performances differ widely. For the first, the active duty personnel, it is advisable to consider military and civilian personnel together to eliminate distortions stemming from different national concepts with regard to the use of civilian personnel for defence tasks. For the second, mobilisable reserves, the table reflects the structured mobilisation potential. Neither table indicates any measure of the standard of training or quantity and modernisation of equipment.

THE OUTPUT

General

30. Spending money and committing people are not ends in themselves. What really counts is how the foregoing indispensable inputs are translated into defence capabilities. Two significant factors in this regard are the efficiency with which assigned scarce resources are transformed into defence output and the effectiveness of that output. Several Alliance members work hard to improve efficiency measures; using economies of scale, or producing better teeth to tail ratios in their military, or extending periods of conscription, or maintaining consistency and predictability in budgets and defence policies; and using fewer resources to achieve such results.

31. While this efficiency is useful in itself, it must also produce the necessary ultimate output as it appears in force size and structure, modernisation, readiness, availability, sustainability, training (individual and collective), and intangibles such as morale, leadership and force cohesion. In the NATO context some of these components do have established standards, are taken into account in the Annual Review of countries' defence efforts and do provide an indicator of national efforts. These will be summarised by country towards the end of Part II, drawing primarily upon the annual reviews of the past several years.

32. A major challenge for Alliance defence planning and measurement is of course to relate input to output, and also to gain a better understanding of specific difficulties that countries face in managing their available resources for defence as efficiently as possible. It is therefore important that the Alliance continue to develop and refine its tools for performance measurement in order to be able to provide a better assessment of the extent to which countries secure value for the money spent on defence, and thereby to help improve the performance of countries in particular areas.

National Defence/Collective Defence

33. The common defence posture is not the mere sum of a series of national defence efforts. It requires that all Alliance members co-operate in different ways to provide the necessary balance of military forces; that these forces be stationed in the right places to deter effectively the threat and be able to respond with an appropriate degree of readiness and availability should deterrence fail. To achieve this, countries

Military and Civilian Personnel as % of Labour Force

Country	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988
Belgium	2.87	2.77	2.79	2.81	2.79	2.76	2.71	2.71	2.71	2.77	2.78
Canada	1.10	1.06	1.02	1.02	1.02	1.00	0.97	0.97	0.97	0.96	0.95
Denmark	1.62	1.67	1.66	1.65	1.52	1.54	1.47	1.42	1.35	1.36	1.41
Germany	2.49	2.48	2.45	2.44	2.42	2.43	2.40	2.41	2.40	2.39	2.38
Greece	6.46	6.40	6.11	5.78	5.75	5.24	6.01	6.06	5.89	5.90	5.88
Italy	2.50	2.45	2.47	2.47	2.49	2.41	2.42	2.50	2.46	2.44	2.42
Luxembourg	0.87	0.84	0.83	0.82	0.84	0.86	0.87	0.86	0.83	0.83	0.86
Netherlands	2.69	2.64	2.60	2.58	2.52	2.46	2.23	2.20	2.25	2.24	2.23
Norway	2.66	2.64	2.59	2.50	2.59	2.57	2.47	2.28	2.32	2.29	2.28
Portugal	2.22	2.21	2.33	2.34	2.36	2.31	2.45	2.58	2.58	2.57	2.58
Spain*	3.21	3.20	3.10	3.14	3.16	2.94	2.83	2.60	2.51	2.56	2.25
Turkey	4.53	4.35	4.40	4.48	4.58	4.83	4.71	4.62	4.85	4.89	4.68
United Kingdom	2.22	2.19	2.16	2.16	2.10	2.06	2.02	1.95	1.91	1.81	1.79
United States	3.01	2.88	2.84	2.87	2.91	2.94	2.86	2.87	2.82	2.80	2.71

* Data for Spain is from national source; other data comes from the replies to the annual defence planning questionnaire.

Military and Civilian personnel plus Reserve Mobilisation as a % of Labour Force*

	1987 (Actual)	1988 (Projections)
Belgium	5.28**	5.26
Canada	1.16	1.20
Denmark	3.97**	3.96
Germany	5.33**	5.33
Greece	11.35**	11.35
Italy	2.90**	2.89
Luxembourg***	0.83	0.82
Netherlands	4.98**	4.97
Norway	11.22**	11.19
Portugal	6.09**	6.12
Spain	5.34**	5.39
Turkey	5.31**	5.24
United Kingdom	2.36	2.33
United States	3.75	3.69
(NATO average)	(4.02)	(3.99)

* Includes active military manpower, civilian personnel and mobilised reserves to attain wartime authorized strength.

** Indicates countries with conscription.

*** Some 30% of Luxembourg's labour force is comprised of foreign nationals.

make unique contributions to the collective good; some incur additional costs and inconveniences by stationing some of their forces out-of-country, others by hosting and supporting such forces, and all make financial and other contributions to commonly-funded activities. Such contributions are in addition to the more visible national defence requirements and are, therefore, major contributions in the burden-sharing sense.

Nuclear Contributions

34. In the spirit of sharing the roles, risks, responsibilities and benefits of collective security policy, all members contribute to Alliance political cohesion by supporting the nuclear element of the Alliance strategy of deterrence. Some maintain their own nuclear capability; some provide delivery systems for United States nuclear warheads and provide host nation facilities for United States nuclear forces based in Europe.

35. Three members of the Alliance(1) possess a nuclear capability. NATO's ultimate nuclear deterrent is largely provided by the strategic nuclear forces of the United States, which also dedicates a range of theatre nuclear forces to the Alliance. The United Kingdom maintains its own strategic and theatre nuclear forces which are assigned to NATO. These Alliance members bear the burden and the costs of developing, manufacturing, deploying and maintaining this contribution to the common defence.

36. The nuclear burdens associated with flexible response are also shared in a number of other ways which make a major contribution to collective security. European-based theatre nuclear forces provide an essential linkage between conventional and strategic forces. Seven Alliance members (Belgium, Germany, Greece, Italy, the Netherlands, Turkey and the United Kingdom) participate directly in this aspect of the Alliance's nuclear role and share the ensuing political and financial costs by the provision of delivery systems (aircraft, missiles or artillery) for United States nuclear warheads and by the provision of host nation facilities for United States nuclear capable forces. The success of the recent INF negotiations was due in large part to the solidarity exhibited by all members of the Alliance collectively and by the particular determination demonstrated by the five countries (Belgium, Germany, Italy, the Netherlands and the United Kingdom) who provided commonly funded basing facilities for United States INF forces in the face of considerable pressure. Three nations (Denmark, Iceland, and Norway) have a declared national policy of not accepting the deployment of nuclear weapons on their territory in peacetime.

Conventional Forces

37. Thirteen members of the integrated military structure commit in-place forces, augmentation troops, reinforcements and bases to the collective defence posture of the Alliance. In some cases virtually all national forces are committed to NATO while in others only a percentage of the national military capability is devoted to or declared available to the common defence. Iceland, whilst a member of the structure, has no military forces; France and Spain are not members of the integrated military structure. Five members of the integrated military structure actually station forces outside their own country; Belgium, Canada, the Netherlands, the United Kingdom and the United States. The remaining countries' forces generally remain in their own territory although some which have elements committed to roles in support of integrated NATO forces, such as the AMF, or of NATO wartime plans, have deployment options outside their own territory as well. Some Allies diversify in the collective interest and contribute forces to more than one major NATO area (i.e. Northern, Central and Southern Regions of ACE, North America, the Atlantic, the Channel and the Mediterranean). These facets of commitment, quantity, quality and diversity of contributions are all considerations in determining the respective burden and hence the equity of the sharing of roles, risks and responsibilities.

38. Quantity: In a quantitative sense the United States makes of course by far the greatest contribution to the overall integrated defence and deterrence posture of the Alliance. Major

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1) France does not participate in NATO's integrated military structure but maintains national nuclear forces which contribute to overall deterrence.

contributions are also provided by Germany, the United Kingdom, Turkey and Italy. While the numbers contributed by the other countries are smaller - largely as a consequence of their smaller populations - they are all important and constitute indispensable contributions to the overall strength of the Alliance.

39. On a regional basis European forces provide by far the main weight of in-place forces available to the Alliance. For example - even excluding France and Spain - the European members of the integrated military structure provide 90% of the manpower, 70% of the tanks, 80% of the artillery, 80% of the combat aircraft, more than half of the major warships, 70% of the submarines and most of the mine countermeasure vessels of the in-place forces in the general European theatre. Their naval forces, which include four small aircraft carriers plus sixteen nuclear powered submarines, provide a vital presence in the Eastern Atlantic and the Mediterranean. Unique contributions to maritime readiness are provided by the United States in the form of carrier and battleship battle groups in the North Atlantic and the Mediterranean.

40. In addition to the in-place forces of the integrated defence, countries are able to mobilise additional personnel and, along with reinforcement forces, to bring the peacetime defence structure up to a wartime readiness posture. This effort varies by country and also by time. Nations such as Denmark and Norway which rely heavily upon a total defence concept and, thereby, mobilisable reserves have a sophisticated and well-organized system. Denmark moves from a standing force of some 29,000 to over 100,000 in 2 or 3 days and has extensive civil agencies activated in 3 or 4 days. As an important supplement to Danish regular forces the Home Guard of some 75,000 soldiers can be mobilised in hours. Likewise, Norway, with a base of 38,000 in peacetime, increases to some 300,000 in 2 or 3 days, with the 80,000 home guard soldiers mobilised in hours. Germany enhances its defence by mobilising over 800,000 personnel at short notice, thereby almost tripling the force normally deployed in peacetime. With adequate warning the United Kingdom can triple its forces in the Central Region within 72 hours.

41. In the broader European sense mobilisation results in a personnel enhancement to the defence of some 200 per cent; i.e. from a base of 1.1 million to over 3 million. The 333,000 United States and Canadian troops would also be reinforced, in the main by about ½ million United States forces. The value of the mobilisation base, the highly developed European mobilisation systems and the Alliance rapid reinforcement system is significant and demonstrates further the manner in which all Allies make considerable additional efforts not readily apparent from raw input statistics. The value of such mobilisable potential does however depend heavily on the state of training of reserves and home guards and on the equipment and combat supplies stockpiled and maintained for their use.

42. Quality: The ultimate effectiveness of forces, both in-place and mobilisable, is the product of quantity and quality. In a special effort to improve the Alliance conventional defence NATO identified, and countries agreed, a list of critical defence deficiencies to be addressed as a matter of priority. This Conventional Defence Improvement (CDI) programme was launched in 1985 and, three years later, shows some noteworthy success.

43. The most comprehensive Alliance endeavour to ensure the necessary quality and quantity of forces is the setting of force goals and standards, and the most comprehensive assessment of achievements in this respect is the annual defence review. Specific CDI force goals are highlighted within the process for particularly urgent attention by countries, and monitored during the annual review.

44. Assessments of countries' performance in planning for implementation of their NATO force goals are normally expressed in broad qualitative terms, and representative and realistic quantification is difficult to achieve in view of the wide differences in the substance and aim of the goals themselves. Nevertheless, within these limitations, SHAPE has developed a means whereby general quantification of intended force goal implementation can be made and which indicates where there is a need for greater effort and better focus in planning. At one end of the scale Germany, the United Kingdom and the United States continue to provide the most positive responses in meeting the challenge of their force goals; as the table following paragraph 45 shows, in 1988 they plan for some 90% achievement overall, and over 95% for the highlighted force goals. The remainder of the Allies, for various reasons and in different ways, plan for lower levels of implementation; at the other end of the scale Belgium, Denmark, Greece, Luxembourg, Portugal and Turkey plan for implementation rates below 70%. In the case of the three LDDI nations this is due in part to their dependence on external military assistance.

45. The following table is an example of one current Alliance effort to monitor NATO force planning and force goal implementation. It involves a combination of input and output factors to produce a measurement of force goal implementation which reflects the financial burden of implementing force goals, the relevance of force goals to the Key Mission Components, and the priority which the military authorities have placed on the force goals requirements. The table is limited to the force goals addressing SACEUR's area of responsibility(1). The process is still being developed and improved; nevertheless, it provides an interesting and representative picture of countries' efforts to meet SACEUR's force planning requirements. Along with some form of maritime equivalent by SACLANT and CINCHAN, it could contribute considerably to improved output measurement.

46. In addition to the force planning process and its annual review the Major NATO Commanders continuously review the state of countries' force contributions, in part to ensure the readiness to meet operational requirements and in part to provide a basis for future force proposals to countries. The assessment of contributions to SACEUR's key mission components provides one indication. An evaluation of the way forces meet standards of readiness and availability, and performance during exercises and training, are further indicators and are reflected in the combat effectiveness reports of the Major NATO Commanders. But, these indicators of force quality have not yet been developed far enough to be useful output measurements on a country by country basis and hence are not yet directly usable for the purpose of this examination of shared roles, risks and responsibilities.

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1) For 5 countries (Germany, Greece, Italy, Luxembourg and Turkey) this covers all force goals.

1988 ACE FORCE GOAL IMPLEMENTATION		
	OVERALL PERFORMANCE	CDI PERFORMANCE
Belgium	56%	61%
Canada	70%	70%
Denmark	59%	63%
Germany	91%	95%
Greece	63%	66%
Italy	74%	74%
Luxembourg	28%	36%
Netherlands	75%	74%
Norway	78%	73%
Portugal	67%	44%
Turkey	66%	69%
United Kingdom	90%	98%
United States	85%	98%

47. One further measurable indicator of force quality is the resource input which countries devote to the modernisation of equipment. In terms of percentage of defence expenditure the Netherlands, Norway, the United Kingdom and the United States have averaged over 20% for the past 10 years, while at the low end with under 15% investment are Belgium (13.5), Turkey (11.9), Portugal (4.8) and Luxembourg (2.3). Despite its good performance in this respect Norway, with its relatively large mobilisable forces, has a serious modernisation problem. And despite a rather mediocre performance in percentage terms Germany has managed to keep its equipment at a high level of modernisation. Apart from these two exceptions, this table reflects fairly well the modernisation situation.

48. Sustainability: Another significant element of the conventional force contribution is sustainability. In addition to adequate manpower and equipment, sustainability depends on the provision of adequate stocks of fuels, ammunition, medical supplies and other consumables. Gradual progress is being made in the area of fuel, in particular developments related to a common battlefield fuel. In addition fuel storage and pipeline issues are defined, plans are in hand and progress is being achieved. On the medical side attention is being focused in a collective sense but the subject area is complex and somewhat fragmented; more work is required.

49. From a sustainability standpoint a key indicator of a country's progress, and a major indicator of that member's resolve to contribute to the common defence, is the level of ammunition stocks. Ammunition is expensive, it can have a limited shelf life, and it is susceptible to technological obsolescence. Nevertheless the Alliance has agreed standards and countries have been urged to achieve the goal of a minimum of 30

Equipment Expenditures as % of Defence Expenditures*

:ountry	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	Average 78-87	Average 83-87
ielgium	13.93	13.14	14.40	14.03	13.56	13.76	13.21	12.73	12.93	13.19	11.94	13.48	13.16
:anada	10.01	13.81	15.36	15.87	17.37	20.39	20.84	18.46	20.23	21.37	20.89	18.97	20.23
)enmark	16.33	16.20	16.14	17.54	16.76	16.47	15.72	13.81	14.00	14.90	16.48	15.90	14.94
;ermany	12.98	13.65	14.76	17.32	17.35	17.29	16.50	14.78	15.94	15.24	15.24	15.52	15.92
;reece	18.10	17.70	18.76	20.47	16.98	15.87	15.27	14.54	15.80	17.23	24.42	16.99	15.72
:taly	16.16	15.14	17.48	17.28	16.64	18.49	17.34	18.76	18.40	20.58	21.03	17.57	18.66
.uxembourg**	1.76	2.15	1.82	1.83	2.25	1.67	1.62	3.97	3.11	3.90	3.15	2.27	2.65
letherlands	18.43	20.27	18.05	18.90	20.45	22.96	23.58	23.96	21.90	17.83	19.68	20.52	21.93
lorway	18.26	19.52	19.28	19.02	19.56	21.09	18.11	24.93	20.24	20.23	19.09	19.95	20.80
'ortugal	1.83	3.83	6.14	6.51	5.20	4.89	4.81	3.27	6.25	10.06	13.02	4.84	5.46
;pain	(14.41)	(10.00)	(19.74)	(17.66)	(18.09)	(21.55)	(28.70)	(16.77)	(23.58)	(24.71)	(20.92)	(19.52)	(23.06)
'urkey	18.49	9.09	4.74	9.37	10.80	10.08	13.08	13.59	17.9	21.06	22.47	11.85	14.65
Jnited Kingdom	22.96	23.20	25.17	26.46	25.55	26.73	27.17	26.97	25.24	24.73	24.7	23.38	26.15
Jnited States	17.52	20.04	19.50	20.25	21.35	23.54	25.23	25.72	25.81	26.34	25.96	22.30	25.31

The data comes from the replies to the annual defence planning questionnaire, except for the figures in brackets which come from national sources.

Luxembourg does not maintain a range of major military equipment.

day stocks. 1988 DPQ responses for battle decisive munitions indicate that only the United States plans to achieve stock level targets by 1993. Canada, Germany and the United Kingdom are making concerted efforts based on an interim objective approach agreed by Ministers in 1984; the other Allies are not providing sufficient resources to be able to achieve agreed interim objectives.

50. Standing NATO Forces: In the context of sharing responsibilities the members of the integrated military structure commit elements to Alliance standing land, air and maritime forces. These forces are a clear demonstration of Alliance solidarity and make a significant contribution to deterrence and readiness. Belgium, Germany, Italy, the United Kingdom and the United States provide units to the ACE Mobile Force (AMF) land and air components. Canada and Luxembourg make a land contribution and the Netherlands an air unit. All members of the integrated military structure contribute to the airborne early warning force and Portugal, the United Kingdom and the United States make up SACEUR's strategic air reserve. At sea there are standing naval forces on the Atlantic and in the Channel, as well as on-call forces in the Mediterranean. The United Kingdom contributes ships to all three forces; the United States to Atlantic and Mediterranean forces; Belgium, Denmark, Germany, the Netherlands and Norway to Channel and Atlantic forces; Canada and Portugal to the Atlantic; and Greece, Italy and Turkey to the Mediterranean. Regular participation in these forces implies a heavier load for smaller nations than larger ones.

Host Nation Support

51. Host nation support is a major contribution to the collective defence effort from those nations most directly involved in the forward defence effort, and from several others. The burden of the reinforcing nations in meeting out-of-country forward defence deployments can be, and is, reduced greatly depending upon the degree and comprehensiveness of mutually agreed host nation support. Such arrangements are made on a bilateral and multilateral basis between the Allies concerned, and commonly funded infrastructure is often crucial to the eventual outcome and success of the arrangements.

52. The Alliance does not have at this stage a complete and detailed picture of the vast array of bilateral and multilateral support arrangements. Nevertheless, it is clear that some Alliance members are further advanced than others in the development of the necessary agreements, and within regions the types and degrees of support offered and negotiated vary from country to country. Many arrangements are unique, most are at a significant social and economic cost, and all considerably reduce the financial burden on the reinforcing countries.

53. In view of the scale and importance of this host nation support effort some illustrative examples are relevant to the burden-sharing issue. Belgium has some 500 personnel committed to host nation support, and in wartime some 6,000 personnel will be directly involved. In addition, Belgium provides 29 facilities for Allied use in peacetime and maintains other facilities (including rail lines) for use during a crisis. Denmark, under a Danish/US agreement, provides for the establishment of US defence installations on the island of Greenland. Germany will make available some 90,000 men and expends some DM 80 million per year as operating costs under the German/US wartime host nation agreement and has invested over DM 780 million to date. It also contributes, at no charge, real estate (150,000 hectares) for forces stationed in peacetime at over 3,000 sites (some 92,000 dwellings). Iceland makes 10,000

hectares of land available to NATO at 7 different locations on the island. Italy hosts some 17,000 troops in 43 bases throughout the country. The Netherlands commit approximately 1,300 personnel in peacetime and about 20,000 in time of crisis to support the Allied reinforcement process. Norway has concluded a number of agreements which provide for substantial prestocking of ammunition, fuel, heavy equipment, and spare parts for Allied naval, air and land forces. Spain, even before accession to the Alliance, contributed indirectly to Alliance collective defence beginning in 1953 through bilateral agreements with the United States on support bases and installations on Spanish territory. Turkey is host to some 5,000 US Army and Air Force personnel. In the United Kingdom 66 bases and facilities are made available to United States forces and there are also two NATO-funded armament depots manned jointly by United Kingdom civilian and United States Navy personnel. Under a 1973 United Kingdom/United States cost sharing agreement land which is surplus to United Kingdom defence requirements is made available to United States forces for their operational use at no cost.

Common and Joint Funded Activities

54. The common and joint funding of Alliance programmes, activities and organizations is an essential part of the overall defence and security arrangements. From a national perspective, it is a direct financial contribution to support the collective effort; from a NATO perspective such contributions are significant in both a substantive and a symbolic sense. Alliance common funding is a unique and clearly demonstrable way of sharing a burden.

55. The best-known and perhaps most visible activity is the NATO Infrastructure programme. In this programme, and by an agreed formula, Germany, the United Kingdom and the United States provide some 66% of the total funding. In terms of net return (host or user nation) Canada, which makes a substantial contribution, receives by far the least benefit from the programme. Other principal common-funding areas include the Alliance commonly-funded military activities, NATO civil operations and the NATO Maintenance and Supply Organization (NAMSO). Joint funding supports the highly successful Airborne Early Warning System (AWACS), the NATO Multi-role Combat Aircraft Development, Production and In-service Support Management Agency (NAMMA), the Central Europe Pipeline System (CEPS) and the NATO European Fighter Management Organisation (NEFMO). The joint programme efforts and funding of several European nations, led by Germany, Italy and the United Kingdom, to NAMMA and NEFMO, are significant.

56. A key current common-funding issue is that of the move of the United States 401st Tactical Fighter Wing from Spain to Italy. In addition to the significant political contribution by Italy in accepting the NATO invitation to host the unit, the members of the Defence Planning Committee have agreed to fund the move within the NATO Infrastructure Programme.

57. The table on the following page shows the percentage shares of national contributions to the principal common and joint funded programmes.

COMMON FUNDING
(% shares)

Country	Infrastructure Shares (Slice Group 36-41)		Civil Budget	International Military Budget		NAEW Force		NAMSO	
						E-3A	HQ	HQ	RSCC
	14 countries	15 countries	16 countries	15 countries	14 countries	12 countries (1)	13 countries		
BE	4.59	3.96	2.76	2.95	3.56	3.38	2.66	2.76	3.45
CA	6.43	5.56	5.60	5.80	6.99	9.42	7.40	5.60	7.00
DE	3.77	3.26	1.59	1.74	2.10	2.00	1.57	1.59	1.98
FR (2)	-	13.34	16.50	17.10	-	-	-	16.51	-
GE	26.76	23.16	15.54	16.10	19.42	28.13	22.10	15.54	19.43
GR	0.79	0.69	0.38	0.39	0.47	0.61	0.48	0.38	0.48
IC	-	-	0.05	0.05	0.06	-	-	-	-
IT	8.07	6.98	5.75	6.12	7.38	7.26	5.70	5.76	7.20
LU	0.22	0.19	0.08	0.09	0.11	0.10	0.08	0.09	0.11
NL	5.19	4.49	2.75	2.94	3.55	3.74	2.94	2.75	3.44
NO	3.18	2.75	1.11	1.20	1.45	1.45	1.14	1.11	1.39
PO	0.20	0.20	0.63	0.65	0.78	0.69	0.55	0.63	0.79
SP (3)	-	-	3.50	-	-	-	-	3.50	-
TU	0.81	0.81	1.59	1.65	1.99	1.62	1.27	1.59	1.99
UK	12.18	10.54	18.82	18.22	21.98	-	21.45	18.83	23.54
US	27.82	24.06	23.35	25.00	30.16	41.52	32.62	23.36	29.20

(1) UK has separate force of seven aircraft.

(2) France does not participate in the integrated military structure.

(3) Spain's contribution to the International Military Budget and the Infrastructure Programme is under consideration.

Assistance to LDDI Nations

58. Another significant indicator of the willingness to share the defence burden is the degree to which Allies assist the industrially lesser developed members. The Alliance has long recognised, for reasons both military and political, the compelling need for more and more predictable assistance to Greece, Portugal and Turkey in order to enhance the effectiveness of their contribution to collective defence. Communiqués, Ministerial Guidance and other important planning documents have repeatedly drawn the attention of member countries to the problem, and recommended urgent and broadly-based action. The CDI exercise identified the extensive obsolescence of arms and equipment of the Greek, Portuguese and Turkish forces as one of the most serious deficiencies in NATO's defence posture, warranting a special effort by countries to provide more military assistance to their less prosperous Allies.

59. When adopting the 1988 force goals addressed to Greece, Portugal and Turkey the Defence Planning Committee for the first time also agreed Military Assistance Requirements (MAREQS) which constitute a challenge to the other Allies to provide the necessary assistance. Essentially 10 countries are contributing defence assistance in some form, but it is inadequate for the vast challenge at hand. Principal contributions are made by the United States and Germany. In the case of the former the assistance is in the main in the form of military sales credits, together with grants for equipment and a number of co-production arrangements, some $1,000 million in 1986. From Germany the assistance is predominantly in the form of grant aid for military equipment and for projects designed to strengthen the defence industrial base of LDDI countries; in 1986 some DM 300 million were provided, in addition to some DM 150 million bilateral non-military aid to Turkey, thus bringing the total aid to the three countries to DM 6,000 million.

60. Aside from the foregoing, Belgium, Canada, Denmark, Italy, Luxembourg, the Netherlands, Norway and the United Kingdom have provided limited defence assistance in specific areas. Only recently the Netherlands has established a special budgetary provision, of up to Hfl. 40 million per year, in order to be able to make aid available on a more regular and better organised way.

61. The problems facing the less prosperous Allies (and thus the defence capability of the Alliance) can be reduced somewhat by direct military assistance and certain forms of economic aid. Ultimately, however, if these Allies are to make their defence contributions more effective and if they are to be less dependent on aid, the economic and technological base in the three nations will have to be developed and expanded, although in such a way as to avoid increasing the industrial over-capacity that already exists in some defence sectors within the Alliance. One way of achieving this would be greater participation by LDDI nations in open competition for procurement contracts of other NATO countries, capitalising particularly on those areas where they already have expertise. It also means greater involvement in developmental aspects of programmes, i.e. research and development and the requisite transfer of technology, which would be of much greater value to these nations than the simple assembling of prefabricated and off-the-shelf equipment to which they are largely limited at present. For example the Military Committee's Advisory Group for Aerospace Research and Development (AGARD) conducts a support programme for the LDDI nations that involves approximately 90 projects a year to strengthen the scientific and technological base of their defence efforts in aerospace, and permits participation by LDDI scientists and technical experts in AGARD's programme.

62. Again, this remains a critical area and a primary opportunity for spreading the collective responsibilities as well as benefits to a greater degree. Current extensive defence efforts by the LDDI countries are less effective than they could be by virtue of the lack of appropriate Allied assistance.

Other defence contributions and costs

63. Most of the foregoing contributions to the common defence can, in one way or another, be measured or quantified. But there are also other contributions which cannot, or only in a limited way, be quantified. Particular economic and social costs are incurred by countries hosting Allied troops and weapons on their territory. Aside from the land which has to be made available to such forces and for which an assumed monetary value could be established, there are serious economic and environmental dislocations deriving from military exercises and low level overflights in densely populated areas. This is particularly the case for Germany since in addition to some 500,000 national forces the country hosts 400,000 foreign troops in peacetime in an area no larger than the state of Oregon or a mere portion of almost any Canadian province. With more than 5,000 military exercises on its territory, and the resultant manoeuvre damage (DM 40 million a year), and almost 600,000 military flights in its airspace each year, the German public bears an unusually high social cost. The environmental impact of low flying training is another serious problem for Germany, with more than 80,000 jet flights below 1500 ft; this problem extends to all densely populated European countries including Belgium, Italy, Luxembourg, the Netherlands and the United Kingdom, with the United Kingdom for example also experiencing some 80,000 low level jet flights. Belgium, Denmark, Greece, Iceland, Italy, the Netherlands, Portugal, Spain, Turkey and the United Kingdom also host, or provide facilities for, allied troops in peacetime, and publics endure various inconveniences as a consequence.

64. A particular feature of the defence effort of most European countries is conscription. Conscription implies both an economic and a social burden; economic in the sense of the loss to the economy and the labour force in several areas, and social in the sense of the price paid in terms of individual freedom. The conscript system enhances deterrence because a people's will to defend itself is demonstrated and influenced positively by the fact that all young men are liable to perform this service for the community. Conscription also provides the armed forces of countries concerned with capable young men at considerably lower wage costs than all-volunteer forces. For example, German authorities estimate an annual saving of some DM 3 billion compared to wage costs of an all-volunteer force.

65. Conscription, however, carries a political cost. Recently, in an election year, German authorities were obliged to meet defence manpower demands by the unpopular measure of extending conscription to 18 months. Similarly, in 1987, Belgium increased conscript service by two months to a maximum of 12 months. Greece leads the Alliance in terms of length of conscript service with an average period of some 22 months. To a greater or lesser degree these particular costs are borne by all members except Canada, Luxembourg, the United Kingdom and the United States, the four members which rely on all-volunteer forces. Volunteer forces are in a high state of readiness and training and bring to the defence greater unit cohesion and continuity.

66. A further unquantifiable burden for reinforcing nations, in particular the United States and Canada, is that

forces endure varying periods of wide separation from families, friends and customs in the service of both their nation and the Alliance. This becomes all the more difficult as perceived former perks of serving within Europe are gradually eroded, some under national control and some as a result of the host nations' removal of former privileges.

67. Geography is also important to the burden-sharing situation. In terms of proximity to the threat four members (Greece, Germany, Norway and Turkey) have common borders with Warsaw Pact members while Canada and the United States face the threat from two quite different angles. Geography is also important in that the size of a country, state of development, that already exists in some defence sectors within the Alliance. One way of achieving this would be greater participation by LDDI nations in open competition for procurement contracts of other NATO countries, capitalising particularly on those areas where they already have expertise. It also means greater involvement in developmental aspects of programmes, i.e. research and development and the requisite transfer of technology, which would be of much greater value to these nations than the simple assembling of prefabricated and off-the-shelf equipment to which they are largely limited at present. For example the Military Committee's Advisory Group for Aerospace Research and Development (AGARD) conducts a support programme for the LDDI nations that involves approximately 90 projects a year to strengthen the scientific and technological base of their defence efforts in aerospace, and permits participation by LDDI scientists and technical experts in AGARD's programme.

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and difficulty of terrain and climate all have implications on national budgets in terms of the price of developing and maintaining communications networks and the cost of goods. Indirectly this has consequences for the level of resources available for defence and, in particular, adds to the complexity of the burdens for Canada, Greece, Norway and Turkey.

68. Additional significant contributions that are sometimes overlooked include the financial costs related to supporting other territories of strategic value to NATO, such as Greenland and the Faroe Islands in the case of Denmark. The same holds true in the case of Germany for Berlin. Such commitments drain from the central government expenditures amounts equal to 20% and 25% of the defence budgets of Denmark and Germany respectively each year. In a related vein Canada, Norway and the United States expend large sums in the interests of maintaining sovereignty and security in developing and settling large and strategically important Northern regions of their countries. Norway, for example, spends an amount annually equal to 20% of the defence budget in this regard.

69. A further contribution is made by those countries who make available large tracts of territory for Alliance training purposes and for the conduct of major exercises. Canada, Germany and Turkey make significant contributions in relation to broad training areas. In a more specialised sense approximately 70% of the air-to-ground and 50% of the air-to-air weapons training of the United States Air Force is conducted in Spain. Greece, Iceland, Italy, Portugal and the United Kingdom also provide certain specialised training areas. With respect to major exercises Germany, Norway, Denmark and Turkey frequently make available exercise areas for major troop concentrations causing serious disruption to the day-to-day life within the affected regions.

70. The foregoing set of contributions is not and cannot be measured in terms of simple percentages of GDP or in raw numbers of military units. Individually and collectively however each makes a valuable, if not vital, contribution to the common defence. In some cases considerable efficiencies are realised. Other factors cause social, economic and political pressures which, if not adequately balanced, valued and appreciated, could lead to disruption and damage to a country's structure (and all that that implies for defence and security).

Civil Emergency plans and support

71. The aim of Civil Emergency Planning is to support NATO's policy of deterrence. Civil preparedness constitutes an essential element of the overall deterrent and defensive policy of NATO by enhancing the ability of member countries to support the defence effort and to survive the consequences of war. To be effective, the action of the Alliance in this field must be based on maximum co-operation between capitals and with NATO civil organizations.

72. All member countries participate in Civil Emergency Planning (CEP). However, as CEP remains primarily a national responsibility, there is considerable variation in type and level of contribution. Areas of national effort include:

(a) Continuity of government: to ensure the continued function of government in crisis and war, alternate facilities are maintained for essential elements of central, regional and local governments. Extensive sites have been developed by Canada, the Netherlands, Norway and the United Kingdom and the United States. In wartime, NATO Civil Wartime Agencies (NCWAs) will come into existence and operate from facilities provided by Italy, the Netherlands, the United Kingdom and the United States.

(b) Protection of the population: the ultimate purpose of all defence efforts is survival of the population and way of life. To this end, considerable shelter facilities are maintained by Norway and Denmark and, to a lesser extent, by the Netherlands, Germany and Greece; warning and detection facilities are provided by nine countries with Germany, the Netherlands, the United Kingdom and the United States able to reach at least 90% of total population; most NATO countries maintain emergency medical supplies and some form of relief organization.

(c) Maintaining social and economic life: emergency stocks of certain critical commodities are maintained by civil authorities: petroleum - most countries with Norway and the United States well advanced; food - Germany, Norway and the United Kingdom; industrial commodities - Norway and the United States. To meet overall requirements, considerable arrangements have been made for the co-ordination of all transportation resources. The merchant ships of all countries will be placed in a pool, with Greece and the United Kingdom providing the most. Thirteen members of the integrated military structure have dedicated contributions of civil aviation resources.

(d) Civil support of the military: civil resources contribute significantly to both rapid reinforcement and sustainability. In support of the rapid reinforcement plan, 462 European dry cargo vessels - primarily from Germany, Greece and the United Kingdom - are specifically earmarked to supplement the significant United States shipping assets. In relative terms, however, some smaller European countries rank amongst the larger contributors of earmarked ships. In addition, European countries have committed 85 civil passenger and cargo aircraft to support the United States/Canadian Pool of Aircraft. To enhance sustainability, European civil fuel and medical resources have been earmarked and inland surface transportation facilities have been adapted to meet military requirements. Many countries have plans for emergency use of civil surface transportation assets, Norway and Denmark under their total defence concepts being the most extensive examples.

(e) A strong and well functioning civil preparedness is an essential prerequisite for a viable defence. By the same token, a country's overall defence comprises both military defence efforts and civil emergency planning, which - ideally - will have to be closely interrelated and co-ordinated. With a view to obtain such a co-operation several countries have developed a framework within which all elements of society can be co-ordinated in support of an overall plan.

CO-OPERATION THROUGH PLANNING

General

73. Input is transformed into output, more specifically defence capabilities, through defence planning at the national and alliance levels. In the context of the equitable sharing of roles, risks and responsibilities national planning must take into account, from the outset, the requirements of the collective defence; they should be a factor in every major defence decision of member governments. Countries' planning should therefore generally track the Alliance biennial force planning process, not only for reasons of efficiency but also to ensure that major defence decisions can more readily recognise Alliance requirements; requirements that are solidly founded in NATO's conceptual military framework. National planning should also actively support the evolving Alliance Conventional Armaments Planning System and vice versa, and commit resources to the less visible, but vital, areas of force sustainability and Alliance commonly-funded programmes and activities.

74. Co-ordinated Alliance defence planning is also of particular significance in the equitable sharing of roles, risks and responsibilities since it is through the various planning processes that countries can monitor, and to some extent influence, the contributions made by their Allies, not least under the aspect of equitable sharing of the various tasks.

NATO Force Planning

75. The Alliance force planning process is the central NATO planning process. It is based solidly on military requirements developed by the NATO Military Authorities and essentially seeks force improvements from Allies in areas where the most pressing needs of the collective defence can best be served. In doing so it establishes force goals for countries, taking into account political, economic, social and other relevant factors.

76. Each year the Alliance, through the Defence Planning Committee and the Defence Review Committee, conducts a review of the defence efforts of the countries comprising the Alliance's Defence Planning Committee. This assessment focusses on the force goals set for Allies; in particular the performance in relation to the goals, but also the overall level of effort in the common defence. It is the country's performance in relation to these agreed force goals that provides a principal indicator of its performance in sharing equitably the roles, risks and responsibilities of the collective defence. The assessments of national performance and of performance trends contained in the latter section of Part II draw primarily on these annual assessments, in particular the more recent ones.

77. One of the limitations of the force planning process has been its inability to influence the long term plans of Alliance members; i.e. that period when resources are not fully committed. In the past several years long term planning has been gaining more importance within the Alliance and the current set of force goals to countries contains a number of specific issues for the longer term. The succeeding set of goals will include even more specific goals in relation to the maintenance of an effective conventional defence posture. The willingness of members to co-operate and to work with Alliance authorities on force structure, armaments and logistics aspects of these long term goals will provide a further indicator of a country's desire to share defence responsibilities. It is mainly through longer term means that adjustments in the sharing arrangement, if necessary, can be accomplished.

NATO Conventional Armaments Planning

78. Expenditures on major defence equipments consume a large percentage of national defence budgets. In response to a variety of pressures, including budgetary constraints and the desire for greater harmonisation, many collaborative programmes have been established by NATO Allies over the years. These have made a significant contribution to collective defence. However, the attempts of Alliance-wide fora to encourage armaments co-operation have met with mixed success and have generally not been directly linked to the collective views of Alliance key requirements. Although at an early trial stage, the evolving Conventional Armaments Planning system aims to improve this situation by bringing armaments planning into closer harmony with the overall defence planning process of the Alliance.

79. Specifically, the purpose of the Conventional Armaments Planning System is to provide guidance to countries on how the military needs of the Alliance can best be met by national armaments programmes, individually and collectively. A basic premise underlying the system is to promote linkage between national armaments plans and the emerging Alliance long-term force goals for countries. It should provide a more co-ordinated approach to conventional armaments needs, planning, co-operation and procurement and will assist defence budgets to be targetted more efficiently.

NATO Infrastructure Planning

80. The NATO Infrastructure Programme is a major manifestation of co-operation in the Alliance and is of particular significance in the sharing of roles, risks and responsibilities.

81. The most visible sign of the sharing issue is the cost shares agreed by participating nations (see common funding table following para. 57) to cover the direct expenses of NATO infrastructure, but this is only one measurement. There are also costs and benefits, advantages and disadvantages, associated with the roles played by participating countries - as host countries, user countries and countries of origin of equipment.

82. Host countries provide, at their own expense, the land on which infrastructure is constructed as well as the necessary roads and local area utilities (again usually at their own expense). They also make available the staffs responsible for the planning, contracting and basic accounting for NATO infrastructure projects, activities for which they are only partially compensated from infrastructure funds.

83. On the other side of the balance sheet, some host countries gain important infrastructure assets which may supplement national civil and military infrastructure. They also benefit economically from the presence of visiting forces.

84. No exact measurements exist of commercial benefits to countries of origin for NATO infrastructure installations and equipment, but a general impression can be formed. For example, for civil works, which represent roughly 70% of the NATO infrastructure budget, international competitive bidding is normally waived in favour of national competitive bidding. The extent of the host responsibilities of a country thus determines the commercial benefits accruing to its contractors. The remaining 30% of the infrastructure budget is spent mainly on communications-electronics and other types of equipment, for which contracts are generally awarded following international competitive bidding. For this, however, no comprehensive country-of-origin statistics exist.

85. User countries have the benefit of the use of NATO facilities but, as only NATO forces can make use of NATO Infrastructure, the extent to which national forces do benefit is also a measure of the extent to which these forces have been committed to the Alliance by governments. Many NATO Infrastructure installations serve two or more users, and precise statistical accounting as to the extent to which individual countries are the "users" of NATO Infrastructure is not therefore practicable. Nevertheless, it is clear that the United States is the largest single "user" of NATO Infrastructure, and that Germany is in all probability the second largest single "user", while Greece, Italy, Turkey and the United Kingdom are not far behind Germany as "users" on the basis of programming in the most recently approved NATO Infrastructure Slice.

86. However, the benefits of the common Infrastructure Programme are not limited to those accruing to particular member nations by virtue of their roles as host or user country or country of origin. The principal benefit is a "common" one and it has two facets: in concrete terms the provision of a common military infrastructure sufficient to support the common forces of the Alliance to deter aggression and to defend the territory of the Alliance; in political terms, the manifestation of members' willingness and resolve to contribute to a collective, as contrasted to a purely national, defence structure.

NATO Logistics Planning

87. Logistics activities span both civil and military communities. The requirements are defined and over the past number of years considerable progress has been made in bringing these requirements to the fore and into the mainstream of the Alliance planning system. In particular, and referring back to the force planning section, force goals related to sustainability requirements are now a normal feature of the biennial challenge to countries. In addition there is a concerted effort on the part of Alliance military and civilian authorities to look at defence requirements as a whole; i.e. to make the necessary linkages between force structures and logistics needs, between production and consumer logistics, and between infrastructure and its related or relevant logistics.

88. There are a number of key indicators in the logistics area as far as burden-sharing is concerned. The principal contribution of Allies, as discussed in the preceding section, is that of maintaining appropriate levels of consumable stocks. A further indicator is the willingness to contribute to common programmes. A current logistics initiative is a programme to provide a stockpile of battle decisive ammunition to the Southern Region of Allied Command Europe. The programme, regional stocks under CINCSOUTH control (RSCC), was established as a co-operative venture and, in the spirit of burdensharing, countries were invited to contribute. To date some nine Allies have contributed and the stocks are at slightly better than half of the requirement. There are major donations from Belgium, Canada, Germany, Italy, Netherlands and the United States, and other donations from Greece, Turkey and the United Kingdom. Transportation support has been provided by the United Kingdom and the operation and maintenance costs are likewise shared, one third by owning countries, one third by custodial nations (Greece, Italy and Turkey) and one third by the NATO Maintenance and Supply Organization (NAMSO).

89. Also in the logistics planning realm initiatives are being explored with respect to other co-operative ventures. NAMSO is established and funded to consolidate national requirements and to procure a range of supply items. Since contract bids are distributed on a wide and competitive basis, and since there are economies of scale, prices for the acquired goods and services are considerably lower than many national costs. A special programme conducted by NAMSO concerns the co-operative procurement of ammunition. Ammunition, as a perennial, critical, costly shortage, is an area where co-operative procurement leads to cost savings for countries. Consolidated procurement of 155 mm ammunition was initiated as a trial project. Further possibilities in this field are being examined.

CONTRIBUTIONS TO THE WIDER ALLIANCE SECURITY

Alliance Collective Security

90. An effective Alliance collective defence is an essential contribution to, and basis for, peace and security. Western security interests, however, depend not only upon NATO's common defence but also upon a number of other factors. From the Alliance standpoint the regular political consultation by the 16 members on matters impacting on Western security, and the solidarity and cohesion in such matters, add an important and fundamental dimension towards meeting alliance security objectives. A further intra-Alliance consideration is the range of costs, political, economic and social, borne by member publics and governments in the greater interests of preserving Western security. In this context, the members of the European Economic Community (EEC) will - by means of the European Structural Funds (resource transfer within the community between 1988 and 1993; almost US$ 60 billion) - make a considerable effort to enhance the economic and social stability, and thereby the political cohesion, of EEC member countries.

91. Outside the direct influence of the Alliance structure the contributions of members to the United Nations peacekeeping operations are important and visible demonstrations of the resolve of countries to enhance stability and to promote peace. Likewise the provision of foreign aid to third world and developing nations is a most valuable contribution to the pursuit of peace and stability in all hemispheres. In addition the efforts of members in both a political and a military sense to protect Western security interests beyond the geographic NATO area are yet further contributions to maintaining the strategic balance and preserving peace and stability.

Political Will, Support and Solidarity

92. Enhanced Alliance security and defence is dependent upon the political resolve of the 16 NATO member governments to co-operate within and beyond the Alliance in the pursuit of security or security-related objectives. In all countries political will is the determining factor in the provision of adequate resources for the defence effort in the face of strong competing social and economic demands. Within the Alliance there is a more general requirement for co-operation and understanding in the pursuit of Alliance objectives. Above all there is a fundamental need for a visible and regular demonstration of political solidarity to underpin Western dialogue with the East and to maintain the necessary strength from which to base such a dialogue.

93. The revitalisation of the Western European Union and the Independent European Programme Group clearly indicates a conviction among European members of the Alliance that a more united Europe will make a stronger contribution to the Alliance, to the benefit of Western security as a whole. The WEU, which will be further reinforced by the accession - subject to ratification - of Portugal and Spain, provides a helpful forum for stimulating European defence efforts and for concerting European views on key security issues. It also has a valuable role in co-ordinating action outside the NATO area. The IEPG promotes transatlantic armament co-operation as well as European co-operation in research, development and production of defence equipment. It also helps to develop a healthy European industrial and technological defence base.

Security Contributions from Outside the Integrated Military Structure(1)

94. Spain is not a member of the Alliance's integrated military structure. Nevertheless, as a NATO member she is fully committed to the common defence and thereby makes a valuable contribution to the total defence and deterrence posture of the Alliance. As the newest member of the Alliance her accession to NATO is a major enhancement of the European contribution to Alliance security and the framework for a close and mutually beneficial co-operation and co-ordination with Spain is being developed.

95. Moreover membership of Spain in the Alliance makes a significant political contribution to wider security interests. Her global influence is significant, partly as a result of her history but also in view of current global interests and contacts. In pursuing Western security interests in the East-West dialogue Western positions are strengthened, particularly in so far as European security is concerned, by Spanish membership in the Alliance.

Out-of-Area Activities

96. The North Atlantic Treaty clearly defines the area to which Allied mutual obligations apply and contains no specific provision on the subject of consultations about out-of-area issues. Nonetheless, Article IV of the Treaty foreseeing consultations in the event of a threat to territorial integrity, political independence or security was not understood to be limited geographically. NATO communiqués have repeatedly acknowledged that events beyond the formal geographical boundaries stipulated by Article VI of the Treaty can have important implications for Western security. With this in mind, the Alliance has evolved some guidance principles with respect to out-of-area questions. Taken together, the 1956 Wise Men Report, the 1967 Harmel Report, the 1974 Declaration on Atlantic Relations, the 1982 Bonn Summit Declaration and the communiqué of the North Atlantic Council 29th-31st May 1984 state the Alliance's commitment to peaceful progress worldwide, the need for "frank and timely" consultations between Allies when their common interests are affected by events in other regions of the world, concertation of policy as appropriate and compensation for forces removed from the treaty area, in response to requests from states whose security and independence is threatened, to ensure deterrence. However, Allies have recognised that sufficient

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1) France, too, does not participate in NATO's integrated military structure and France is not a member of the NATO Defence Planning Committee.

military capabilities must be assured in the treaty area to maintain an adequate defence posture. Institutionally consultations on out-of-area issues take place on a regular basis within various working groups and committees.

97. The need for the Western world to cope with out-of-area situations falls predominantly, but not exclusively, on United States shoulders. The United Kingdom still maintains a number of overseas garrisons and co-operates with more than 20 states, providing training, equipment and security facilities(1).

98. Italy, Belgium and the Netherlands (and France also) recently sent naval forces to the Persian Gulf to join the long-standing United Kingdom presence and, along with the substantial United States commitment, pursued the objective of defending the right of free navigation in that vital area. Belgian and Netherlands' efforts were further supported by financial contributions from Luxembourg. And, although such European deployments in the Gulf were under national mandate and were mainly decided by each government on a national basis, consultative co-ordination has been taking place regularly within the Western European Union. In connection with the Gulf operations, German naval forces have contributed compensatory forces operating in the Mediterranean; Norway deployed vessels to the Channel.

99. Other Alliance members also maintain an influence in widespread corners of the world. Belgium, through its privileged diplomatic contacts and its important military co-operation programmes with Zaire and Rwanda, retains an influence and adds to stability in Central Africa. Germany has so far provided supplies and military training to 64 countries. Italy has traditionally held close ties with North Africa (Morocco, Tunisia and Egypt), with East Africa (Somalia), and in the Mediterranean basin (Malta). The Netherlands maintains standing marine and naval elements in the Caribbean, and has a special relationship with Indonesia. Portugal retains special links with some of her former African territories and Brazil, and has military co-operation programmes with most of those countries. Spain maintains ties in Central and South America and North Africa.

Global Stability

100. Four decades of peace within the Atlantic Treaty area have been a major factor in the stability of the wider world. The successful management of East-West relations has reduced the incidence of local and regional conflict outside the Treaty area and contributed to the containment of such conflicts as have arisen. East-West arms control agreements can promote military stability outside the treaty area and have done so as underlined by the global approach to INF. Effective implementation of Alliance policy has, moreover, been a precondition for unprecedented economic, social and political development and co-operation within and among the countries of the international community. Specifically it has created political space, and released resources, for members of the Alliance to make multi-facetted contributions to peace, economic progress and the development of democratic institutions world-wide.

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1) France has 45,000 man "Force d'Action rapide' and maintains defence and co-operation agreements with 15 African states.

101. Through their membership in the United Nations and regional organisations, Allies have contributed to global stability. The United Kingdom and the United States (and also France) have substantial commitments in this regard. With respect to United Nations peacekeeping some of the smaller Allies make particularly significant and diverse contributions; Canada, Denmark, Italy, the Netherlands and Norway contribute units and observers in a variety of areas, and Turkey has recently contributed to the UN's Iran/Iraq operation. The contributions of Allies to the United Nations also take the form of political support for peacekeeping efforts, and diplomatic efforts to settle peacefully disputes. Adequate funding of such United Nations requirements is a further dimension of the overall effort in support of peace.

102. A further means of enhancing global stability is through appropriate development assistance and economic aid to developing countries. Again in this regard smaller nations appear to play a role out of proportion to their wealth, size or political stature. The charts on the following page provide detail, however it is worthy of note that as a percentage of GDP Denmark, the Netherlands and Norway are all between 0.75% and 1.1% (and France too) while the remainder are all below 0.5%.

CONCLUDING ASSESSMENTS

General

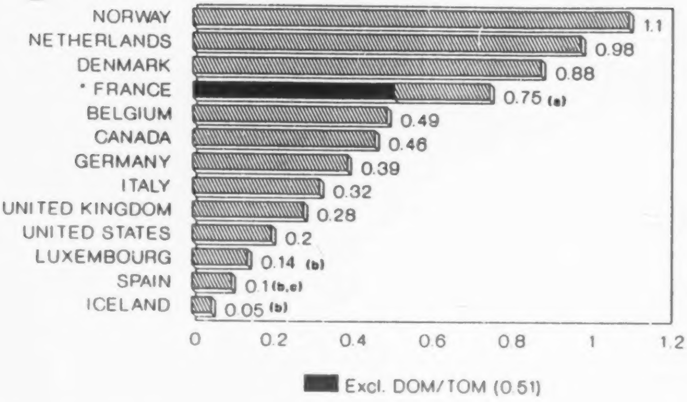
103. The foregoing review has shown that the sharing of roles, risks and responsibilities embraces a wide range of contributions by member countries: financial and human resources, land and facilities, services and sacrifices, co-operation and solidarity. As suggested in Part I, these do not lend themselves to simple aggregation and a comparison that approaches anything like mathematic precision. The differences between some individual national contributions are glaring; that, strictly speaking, these differences constitute an inequity cannot be proven for individual or even groups of measures. But an overall summary of important features of the individual Allies' contribution to collective security is possible, a summary that notes strong and weak points. And, where the latter prevail, the conclusion would seem justified that there is scope or need (or both) for improvements. In those cases where significant numbers of weaknesses exist, there are grounds to question whether adequate resources are being devoted to defence and deterrence and whether roles, risks and responsibilities are being equitably shared. With this in mind the following summary assessments, are provided as a point of departure for the further discussions, in Part III, on the enhancing of the Alliance collective security effort.

Belgium

104. In terms of the percentage of its population serving the defence interest and in terms of financial input Belgium is in the middle group of nations. Belgium makes available some 3% of GDP, a percentage that has been steadily declining over a number of years. The performance in terms of annual growth rates has been uneven and on average has remained well below the Alliance 3% aim with the recent imposition of real reductions. The steady decline in defence purchasing power has led to the lowest capital investment rate amongst the non-LDDI nations in the Alliance. On the output side Belgium, in relation to her Allies, has the largest percentage of her forces stationed outside national territory. As a consequence of low funding

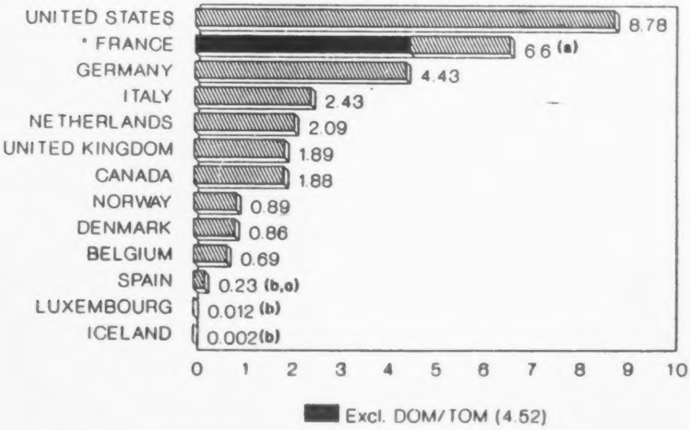
FOREIGN AID
(1987 figures)

AS % OF GNP



(a) Including DOM/TOM (Departments d'Outre-Mer/Territories d'Outre-Mer)
(b) National Sources
(c) 1986

US DOLLARS (Billions)



* France does not participate in the Integrated Military Structure of the Alliance

levels, Belgian response to NATO force goals has been generally inadequate for some years; and force training and operational standards are decreasing. The net result is that Belgium may soon find it difficult to meet its operational commitments; already Belgium has reduced its traditional share of Alliance roles by withdrawing from the Patriot air defence programme. In the wider security context Belgium has stood firmly behind difficult Alliance decisions in nuclear burden-sharing by accepting INF basing. Belgium also contributed to the Persian Gulf security operation and provides valuable support for the principal Alliance Headquarters at Evere and Mons.

105. In order for Belgium to meet a more adequate share of the collective defence, resources allocated would have to be steadily increased over a sustained period and a substantial long term capital investment programme appears necessary.

Canada

106. Though one of the Alliance's wealthier nations, Canada's percentage of GDP devoted to defence is one of the lowest in NATO, with a contribution of just over 2%. Since the Alliance introduced its 3% resource guidance Canada's performance has been good in this respect, but that must be seen against the low baseline. Also on the input side the percentage of Canada's labour force devoted to the defence effort is one of the lowest in the Alliance. The response to force goals, although not entirely satisfactory in recent years, places Canada among the middle group of nations, but planned improvements are significant. Canada's Alliance commitments are amongst the most diverse and Canada is one of five members basing forces outside of their own national territory. In addition, Canada's direct financial contributions to NATO's infrastructure and commonly-funded activities are amongst the highest in the Alliance, yet it receives by far the least benefit in net return (host or user nation) from the contributions. Canada also makes significant financial and military contributions in foreign aid and United Nations peacekeeping efforts respectively, thus enhancing the wider security situation.

107. If current plans are implemented in a full and timely fashion the Canadian contribution to the Alliance defence effort would be increased. This will require substantial growth rates of defence expenditure for the coming years and probably a reversal of the gradual decline in percentage of GDP devoted to defence.

Denmark

108. Denmark's percentage of GDP devoted to defence is one of the lowest in the Alliance and the trend has been one of steady decline, from about 2½% at the beginning of the eighties to 2.0% in 1986, with a slight recovery in 1987. The average growth in defence spending during the period of the Alliance's 3% target has been very low. Denmark makes available a relatively small percentage of her labour force for the permanent defence effort; however a large part of the population can be mobilised to contribute to the territorial defence. Budgetary difficulties have led to reductions in capabilities in several areas, which is reflected in the fact that a number of high priority force goals

have not been implemented. The financial costs in support of Greenland and the Faroe Islands constitute a considerable burden to Denmark. Denmark also makes significant financial and military contributions in foreign aid and United Nations peacekeeping efforts respectively, thus enhancing the wider security situation. Denmark's policy is, under the present circumstances, i.e. in peacetime, not to accept nuclear weapons on her territory.

109. Denmark, as a more prosperous nation, would seem to be in a position to do more for the defence effort. In order to achieve this a reversal of the hitherto critically low real growth in defence expenditure would seem both necessary and warranted. A long and sustained period of growth and capital investment will be an essential prerequisite for a more substantial Danish contribution to the collective defence.

Germany

110. Germany is a major contributor to Alliance defence through its substantial participation in the conventional and theatre nuclear components of the NATO triad. Germany's percentage of GDP devoted to defence constitutes at present the Alliance median but has been gradually slipping for the past six years. Growth in defence spending has remained well below the Alliance 3% target, especially in recent years. Germany incurs significant costs in relation to the support for Berlin.

111. The German forces, well-equipped and trained, backed up by substantial mobilisable reserves, provide the core of NATO's conventional defence in the Central Region and make a substantial contribution to the defence of the Northern Region and NATO's maritime posture. Germany is consistently one of the leading performers in meeting the requirements of the NATO Force Goals with the highest overall implementation of 1988 ACE goals and the third highest CDI performance. To cope with demographic problems a major effort has been made by extending the period of conscription. Germany's inputs to infrastructure and commonly-funded activities are amongst the highest in the Alliance, but there are also some returns in the form of benefits to the German economy. The concentration of forces and military activities on German territory, in concert with a considerable host nation support effort, is unmatched in other Alliance countries. This constitutes a considerable social and economic cost to the German public.

112. Germany supports NATO's nuclear policy in many ways, notably by basing a substantial part of the Alliance's theatre nuclear forces, and by contributing national delivery means. In connection with the Persian Gulf operations, German naval forces have contributed "compensatory" forces operating in the Mediterranean. Together with the United States, Germany is the main donor of military assistance to Greece, Portugal and Turkey.

113. While the baseline and structure of the German defence effort is generally sound, recent Alliance defence reviews have reflected concern that persistent downward trends in regard to input will gradually lead to declines in capabilities. The German economy, strong in relation to most others, should enable Germany to arrest and reverse this downward trend and provide for the growth necessary to maintain current levels of effectiveness.

Greece

114. The defence effort of Greece in terms of inputs is one of the best in the Alliance. The percentage of GDP devoted

to defence and the percentage of the labour force devoted to defence are the highest. In terms of growth in defence expenditures the pattern has varied, but the net result has been a small increase over the 10-year period. Greece pays a high social cost for defence in that its average conscription period of 22 months is the longest in NATO. The Greek industrial base is one of the weaker in NATO and Greece depends on wealthier Allies for assistance with her defence effort. Apart from Germany and the United States, and the recent Netherlands decision to provide regular assistance, the response of Alliance members to the requirement for such assistance has been disappointing. The necessary purchases of equipment abroad constitute a serious drain on foreign currency holdings. Nevertheless there has been a steady trend towards improved force modernisation as a result of national efforts. Greece's economic situation is reflected in relatively low contributions to the infrastructure and commonly-funded aspects of the NATO requirement. Greece participates in nuclear deterrence by the provision of nuclear-capable delivery means, but declines to implement modernisation measures except those regarding safety and sustainability. Greece's contribution to the merchant shipping pool of the Alliance is by far the highest.

115. Given the high percentage of GDP already devoted to defence, Greece can hardly be expected to increase its financial effort. But given the modernisation requirements of its forces it can also not afford to relax this effort, which in any event will need to be complemented by substantial assistance from other Allies.

Iceland

116. Iceland has in the past few years increased its participation in the formulation and implementation of NATO's defence and security policies. Under a bilateral agreement with the United States, air and maritime units are stationed in Iceland in order to carry out important air defence, anti-submarine warfare and maritime surveillance activities. Iceland contributes to some Alliance common-funding programmes and, despite its size, also has a modest foreign aid programme.

117. Iceland is encouraged to further improve its contribution to the common defence, in particular by enhancing host nation support arrangements and by designating Icelandic civil aircraft and merchant ships to the Rapid Reinforcement Plan.

Italy

118. In terms of input, the percentage of GDP that Italy allocates for defence is well below the Alliance average (less than 2.5%). However, Italy is one of the few NATO countries that are trying either to maintain that percentage or to increase it, even slightly. As regards the annual volume change of defence expenditure in real terms, Italy has adhered to the criterion used in the Ministerial Guidance on resources (increases of about 3%) and, over the last five years, has been able to increase these expenditures by 2.81% (2.62% over the last 10 years). The percentage of defence expenditure devoted to major equipment has gone up steadily over the last 10 years and the trend seems to be continuing. This reflects a vigorous modernisation effort, but nevertheless there are still numerous delays and postponements of important equipment programmes. As regards force goal performance, Italy is in the middle group of nations. Italy's contribution to infrastructure and commonly-funded areas is also

relatively good. Italy continues to share in the responsibilities and burdens of nuclear deterrence. In 1979, Italy gave its prompt support to the INF deployment to Europe. Recently, it decided to accept NATO's invitation to host the United States 401st TFW. Moreover the Italian presence in the Persian Gulf, under a national mandate, and Italy's participation in various United Nations peacekeeping forces represent other clear examples of support of Western interests and policy.

119. Italy's strategic position requires a strong defensive effort; such an effort depends on the provision of adequate resources. While Italy's share of GDP devoted to defence is gradually rising this trend needs to continue in order to support the necessary sustained growth, especially with a view to the continuing need for equipment modernisation.

Luxembourg

120. Luxembourg has the highest growth rate in defence spending of all Alliance members for the last ten years. Despite this fact, Luxembourg still contributes only a small proportion of its GDP to defence. The percentage of the defence budget devoted to equipment modernization is also low, but has to take into account the fact that the country, because of aspects of scale and geography has no air force or naval forces, nor any heavy armaments. Its all-volunteer force takes up only a small percentage of the labour force. Moreover, the country has no defence industry of its own, so that any purchase of a defence item constitutes a drain on foreign currency. With regard to out-of-area activities Luxembourg has made a financial contribution to the Belgium-Netherlands naval presence in the Persian Gulf.

121. Luxembourg needs to continue to strengthen its defence effort in conformity with collective requirements. It has therefore to maintain in the years ahead a sustained growth in the allocation of resoures for defence.

The Netherlands

122. In terms of input the Netherlands is in the middle group of nations insofar as percentage of GDP devoted to defence is concerned, although expressed in current prices that percentage has been slipping since 1982. At constant prices, the percentage of GDP devoted to defence has been broadly unchanged at about 3.3%. Defence expenditure growth in relation to the 3% guidance has been irregular but defence budget growth has remained stable at about 2%. The Netherlands continues to achieve value for its input, and its efforts at force modernisation and in response to force goals are amongst the best in NATO, notwithstanding shortfalls in maritime availability and reductions in air force plans. Netherlands support for, and contributions to, infrastructure and commonly-funded areas is also relatively good. The Netherlands was one of the INF basing nations and contributes in other ways as well to carrying the nuclear burden. The Netherlands also makes a significant contribution in foreign aid and peacekeeping efforts. The Netherlands navy participated in the Persian Gulf security operation.

123. A steady increase in defence expenditure will be needed to maintain the current levels of effectiveness of commitments, and some further improvements should be possible. To this end a reversal of the recent downward trend in real growth of defence expenditure would appear both necessary and feasible.

Norway

124. Norway is in the middle range of nations insofar as percentage of GDP devoted to defence is concerned and has a high defence expenditure per capita. The growth rates of defence expenditure have been amongst the best in the Alliance; recently financial plans have been reduced from a 3% growth rate to a 2% growth rate. Norway has a highly structured total defence effort and can mobilise extensive resources in a very short time. Norway's force modernisation effort is amongst the highest in the Alliance in terms of percentage of the budget committed in this area, and the force goal response in 1988 is good, generally an improvement on previous cycles. Nevertheless deficiencies with respect to both regular forces and the extensive mobilisable forces require a greater level of effort. Norway also makes significant financial and military contributions in foreign aid and United Nations peacekeeping efforts respectively, thus enhancing the wider security situation. Norway maintains a policy not to stock nuclear weapons on Norwegian territory in peacetime.

125. Despite steady growth and fairly consistent performance much needs to be done to improve and then sustain a requisite defence effort on the part of Norway. Long term and sustained modernisation programmes need to be further developed and implemented. For this continued real growth in defence expenditure is necessary.

Portugal

126. Portugal is one of the lesser industrialised members of the Alliance; nevertheless its commitment of resources to defence in terms of percentage of GDP is just above the NATO median. Despite difficulties and with the assistance of her Allies, the much needed modernisation of the forces is progressing, albeit more slowly than desirable. This is due in part to the substantial drain of foreign currency resources for the purchases of equipment abroad. Portugal commits ground and air forces to the forward defence in North Italy and contributes to the defence of strategically important Atlantic waters and islands. Portugal makes available, for use by Allies, bases and training areas in continental Portugal and in the islands.

127. Despite its economic difficulties Portugal must strive to commit the necessary resources to further force modernisation, for which a greater effort in assistance by its Allies will also continue to be essential.

Spain

128. As the newest member of the Alliance, Spain's accession to NATO is a major enhancement of the European contribution to Alliance security. The successful conclusion of the guidelines for the co-ordination agreements between the Major NATO Commanders and Spain is an important step in the arrangements by which the Spanish forces will contribute to the common defence of the Alliance. Spain's percentage of GDP devoted to defence is well below the NATO median and growth rates of defence, while on average over the last 10 years amongst the highest, have been very uneven over recent years. The percentage of labour force committed to the defence effort is in the middle group of countries, but there is considerable mobilisation potential. Spain's common funding contributions are, for the present, limited to NATO's civil budget and NAMSO, (although Spain has indicated an intention to participate in the Infrastructure and Military Budgets). At present the Spanish

armed forces suffer from several critical deficiencies which will continue for some time. Spain provides important military bases and training facilities for US forces. Spain has renounced the need for further military assistance.

129. A determined and continued effort will be required by Spain to redress shortfalls and to bring her forces, especially those that will be identified in the Co-ordination Agreements, up to NATO standards. This will probably require greater financial contributions to defence than currently planned.

Turkey

130. The percentage of GDP devoted to defence is one of the highest in the Alliance. Growth rates of defence expenditure too, while varying considerably over the last 10 years, have been very high in recent years, well above 3%. Turkey maintains one of the largest armed forces in the Alliance but lacks the economic strength and necessary industrial base to pursue the vast modernisation required to make these forces fully effective. In earlier years Turkey had devoted only a very low share of defence expenditure to the procurement of major equipment, but recent years have seen a dramatic change in this respect and Turkey is now amongst the nations with the highest share, over 20%. For these reasons Turkey will remain dependent upon Allied assistance for the procurement of modern equipment and to develop its defence industry. Apart from Germany and the United States, and the recent Netherlands decision to provide regular assistance, the response of Alliance members to the requirement for such assistance has been disappointing. At present, the purchases of defence equipment abroad constitutes a serious drain of foreign currency holdings. Turkey's share of the NATO infrastructure and commonly-funded activities has been set at a relatively low level, reflecting its economic situation. Turkey provides significant training areas for Alliance use. Turkey participates in nuclear deterrence by the provision of nuclear-capable delivery means.

131. Given its economic problems and the high share of GDP already devoted to defence, Turkey can hardly be asked to increase that share. But Turkey should continue to strive to commit the necessary resources to improve its defence effort; other nations should also assist more than so far.

United Kingdom

132. The United Kingdom maintains a substantial and comprehensive contribution to Alliance security. Its input in terms of percentage of GDP is the third highest in the Alliance, and there was sustained growth in its defence expenditure from 1979 until 1984, followed by declining rates. The recently announced substantial increase in the UK government's forward defence expenditure plans, which will restore real growth to the defence budget, are to be welcomed.

133. The United Kingdom contributes to all three legs of the NATO triad of forces - conventional, theatre nuclear and strategic nuclear. It also provides forces for all three major NATO commanders, including substantial in-place forces in the Central region, as well as to all NATO's major reinforcement formations and to more than one region of ACE. The percentage of the defence budget committed to the modernisation of these forces has consistenly been amongst the highest in the Alliance. In addition, the United Kingdom is consistently one of the leading performers in meeting the requirements of the NATO Force Goals with the second highest overall implementation of 1988 ACE force goals and the highest CDI performance.

134. The United Kingdom assumes a significant share of Alliance nuclear responsibility and burdens through its independent strategic and theatre nuclear forces and its operation of nuclear delivery systems with United States warheads, and has made a considerable contribution to the political cohesion of the Alliance as one of the INF basing countries. The United Kingdom provides important basing and reinforcement facilities and makes substantial contributions to host nation support and common/joint funding. In addition to its NATO commitments, where the greatest part of its defence resources is spent, the United Kingdom contributes in a number of ways to the wider aspects of Western security interests and has been a principal participant in security operations in the Persian Gulf.

135. The United Kingdom should seek to continue its efforts to achieve greater efficiency and value for money from the increased resources it has made available to defence, and to continue to improve the real value of its defence budget.

United States

136. The United States, economically and militarily by far the most powerful country in the Alliance, provides the single largest contribution to collective defence and security arrangements. The percentage of GDP devoted to defence is one of the two highest in the Alliance and from 1980 to 1986 high increase rates of defence expenditure, far in excess of the NATO goal of 3%, have enabled the United States to make an exceptional and sustained effort to modernise and upgrade all aspects of its armed forces and thus to reverse the retrenchment which had characterised most of the seventies. On present plans, however, this growth seems to have come to an end and is likely to be followed by a period of stabilisation at the high level reached.

137. The United States maintains all-volunteer forces which are much larger than those of any other Ally and has extensive global commitments. It has some 326,000 personnel stationed in Europe, about 10% of in-place manpower with some 20% to 30% of key army and air force weapon systems, and provides nearly half of the Alliance's major warships. The United States nuclear forces constitute the backbone of NATO's deterrent posture. The United States response to NATO force goals in general, and the CDI highlighted goals in particular, has been amongst the best in the Alliance, and the United States contributions to the Alliance infrastructure programme and to all commonly-funded activities are the highest. The United States is the biggest donor of military assistance within the Alliance. With regard to out-of-area the United States carries the main burden of defending Western interests on a global scale.

138. The continued presence of United States forces in Europe and the firm linkage of its strategic deterrent to the other elements of the Alliance Triad remain as important as ever. As the Alliance leader it is important that the United States should maintain the exemplary standards it has set in recent years.

PART III - THE WAY AHEAD

INTRODUCTION

139. As the Alliance approaches its fortieth anniversary, its strength and cohesion are as firm as at any time in its history. The next decade seems likely to be characterised by a gradual shifting and diversifying of power internationally, by an

evolution towards a more balanced transatlantic partnership within the Alliance, by the intensification of European integration and, hopefully, by improved relations between West and East.

140. The two basic tenets of the Harmel doctrine are just as valid today as they have been for the past 20 years; the whole history of negotiating with the East demonstrates that cohesion and resolve remain an essential basis for the West's policy of dialogue and co-operation. For the Alliance this means the maintenance of an effective and credible defence posture, and attention to wider security interests to enhance and guarantee the specific defence effort.

141. The sharing of the roles, risks and responsibilities of this common defence and of the wider security effort was addressed in the preceding part of this review. But focusing on component parts of the defence effort in a narrow fashion, and strictly from the perspective of "sharing", tends to obscure and deny the progress and accomplishments to date. The challenges of the past have been met with considerable success; the solidarity of Allied countries that led to the conclusion of the INF treaty, the rebasing arrangement for the US 401st fighter wing, the cooperative effort leading to a NATO Composite Force as a collective contribution to the defence of North Norway, and the successful conclusion of the guidelines for the co-ordination agreements for Spanish forces, are but a few recent examples. The overall conventional defence of the Alliance continues to improve as a result of the conventional defence improvement (CDI) initiative, with contributions and effort from all Allies although this effort could be significantly enhanced if countries met CDI force goals in full. Consultation on issues within and outside the Alliance is as forthcoming now as it has ever been.

142. More needs to be done but progress is steady and substantive. The Alliance is not a static entity; it is constantly evolving and adapting, through cooperation and consensus; unlike the Warsaw Pact it is also still growing, as evidenced by the recent accession of Spain. The sharing of roles, risks and responsibilities in the Alliance, viewed over time, is a part of that dynamic situation. In continuing to develop the sharing arrangement, however, it is important to recognise its solid foundation, to build on current momentum, and to pursue a cooperative and constructive approach. The focus of the effort cannot be the narrower aspects of burden sharing; rather, it must be on roles and responsibilities in the context of the global situation and what needs to be done. It is only in this way that burden sharing arguments can be set in the proper perspective and Alliance security further enhanced.

ENHANCING COLLECTIVE SECURITY

Maintaining Political Cohesion

143. The changing nature of relations inside and outside NATO implies an ever-increasing variety and complexity of the political agenda of the Alliance. There will be a need on the part of Allies for tolerance, flexibility and support for forms of political cooperation involving fellow Allies in which some do not directly participate. No doubt, the expansion of such co-operation to cover more European members of the Alliance will add to benefits expected from these efforts and help in the formation of a more solid European pillar. Members will have to reinforce their efforts to ensure the transparency of extra-Alliance political activities of relevance to non-participating members or to the Alliance as a whole. In this

regard, there will also be a requirement to ensure the overall coherence of extra- and intra-Alliance activities. The benefits resulting from closer regional and continental cooperation need to be seen from an Alliance perspective and to be translated into assets for Alliance security.

144. One particular item on the political agenda of common interest is arms control and disarmament as an essential and integral part of NATO security policy. From an internal Alliance and security standpoint it is essential that solidarity be maintained, that NATO continues to be able to deal from a position of adequate military strength, that arms control initiatives are only pursued where they would maintain or enhance security and stability, and that there be no indicators of countries taking steps towards unilateral disarmament.

Enhancing Global Stability

145. As recent developments have underlined, improvements in East-West relations can have a positive impact on efforts to resolve regional conflicts. Notwithstanding these encouraging signs, there can be little doubt that the instability which has characterised the third world in recent years will continue to threaten local, regional and, therefore, global stability. The dynamics of underdevelopment and even the transition to more sophisticated economies and more democratic institutions on the part of developing countries will continue to be fraught with instability. Accordingly, individual Allies' contributions to global stability should become a relatively more important consideration in their share of responsibilities within the Alliance, and the Alliance as a whole will have to give greater emphasis to its role in global affairs.

146. There are several ways to meet this challenge. Contributions to, and support for, extra-Alliance organisations such as the United Nations take on increasing importance. The shared appreciation of the desirability of free and freer trade markets is a goal that should not be eroded by quarrels over terms of trade. Another common objective will have to be the continued promotion, within the wider world community, of such principles as free elections, human rights and the rule of the law.

147. Out-of-area situations are taking on increasing significance. Such situations have in the past tended to generate a wide range of responses by NATO countries. This is inevitable in view of the wide array of perceptions and interests which underly members' attitudes to out-of-area developments. Indeed, undiscriminating attempts to develop common reactions can be counter-productive and, on occasion, even undermine the solidarity which they are intended to promote.

148. But the pluralistic nature of the Alliance offers a tremendous asset in dealing with out-of-area situations. Pluralism offers opportunities for responding flexibly to situations which by their very nature call for differentiated approaches involving a broad gamut of policy instruments. As alluded to earlier, growing global interdependence suggests the impossibility of insulating North Atlantic security from events in other parts of the world. It follows that, whenever possible, consultation and concertation amongst Allies should not be rigidly restricted to NATO's area of operational responsibility. Indeed, uncoordinated national initiatives out-of-area would be not only a potential source of division between Allies but might also open up room for manoeuvre for political adversaries.

149. The focus of the United States as a world power is global in scope. As a consequence there is a need for Allies to identify and to take prudent precautionary steps that would ensure the continuity of the common defence in the event that some US reinforcing forces are diverted elsewhere. Following consultations some compensatory force goals were established for members of the integrated military structure. These should continue to be met. Moreover, European states have demonstrated a greater preparedness to become engaged out-of-area. As shown in the Gulf crisis, the Western European Union can be a forum encouraging multilateral action out-of-area. The deployments of several WEU countries and the US decision to reinforce its naval forces in the area have established opportunities for using dipomatic, political and economic initiatives in the search for a peaceful solution to the Gulf conflict.

150. The challenge facing the Alliance, therefore, is to exploit effectively the positive trends which have recently been evidenced in the approach to out-of-area problems. The necessary experience along with procedures and guidelines for consultation amongst Allies are in place. Measured and prudent action in the form of compensating force goals has been taken. The effectiveness of this broad Alliance approach is now dependent upon the requisite political support.

ENHANCING COLLECTIVE DEFENCE

Introduction

151. In reviewing the defence situation, there are essentially three areas on which Allies can focus: aspects of defence on which all countries should commonly concentrate increased attention and resources, additional requirements of the defence that can individually or collectively be addressed in the shorter term, and elements that have considerable potential but require longer term examination and effort.

Defence Aspects Requiring Common Attention

152. A number of areas require the attention of all member countries. Critical deficiencies are identified in the Conventional Defence Improvement Programme (CDI). CDI continues to be the focus for enhancing the common defence and will be the benchmark against which capabilities are measured. For some this will require either sustaining current levels of effort or gradually and selectively enhancing these; for others, a more determined effort is essential if an adequate sharing of defence responsibilities is to be assumed. Assessments of the levels of national effort in this regard were presented in Part II. Principal areas for attention include:

a. Force Goal Achievement; A prime area of attention for all is that of force goal accomplishment, in particular CDI highlighted force goals. Alliance defence planning is based, and must be able to rely, on assumptions about force structures and the quantity and quality of national contributions. The force goals adopted by the DPC represent a carefully balanced package of measures that are deemed to be militarily necessary and politically and economically achievable. It is, therefore, imperative that performance improves in this area, and for some countries a much greater effort is necessary, including the allocation of additional resources to improve the situation. It would therefore be timely for NATO authorities to undertake a review of those

CDI-highlighted goals, and other key force goals that are not being well implemented, with a view towards determining the reasons for poor implementation and devising approaches to each country for improved performance. This could be taken into account in the development of the next set of force goals.

b. Force Declaration: At the heart of Alliance force planning are the forces countries commit to the Alliance. In order to strengthen the effectiveness of NATO's defence posture, consideration should be given by nations to the possible scope for enhancing force commitments whether by declaring additional forces (for example from those currently retained under national command) or by improving the declaration status of forces already committed.

c. Sustainability:

(1) In 1985 Ministers, in addressing the report on Conventional Defence Improvements, agreed that special attention should be given to the agreed areas of deficiency, many of which included factors related to sustainabiity. They further agreed specifically to follow up their undertaking of December 1984 to adjust their munitions programmes in each of the high priority areas identified for their countries, with a view to expanding their plans and accelerating progress to meet the 30-day objectives. These deficiencies were taken up in the 1986 force goals and standing objectives and, subsequently, in the 1988 force goals which provide the latest definitions of interim requirements that must urgently be met, highlighted for emphasis.

(2) The Alliance, through NAMSO, has investigated and developed a means for more cost-effective procurement of some ammunition types. This effort is being expanded and countries are encouraged, where costs are a major factor in poor performance, to investigate and use this capability. Moreover, all countries are encouraged to contribute to the essential stockpile of ammunition under CINCSOUTH control in the southern region of ACE. A wider sharing of the latter burden than at present would result in a significant improvement to the defence of the southern region. In instances where members disagree on the stockpile guidance, for whatever reason, this aspect should continue to be pursued formally with the major NATO commander concerned and resolved in the near term.

d. Improved Financial Support:

(1) In the sense of sharing common responsibilities, a key contribution is made through the direct financial support of jointly and commonly funded programmes, activities and organisations. These are sometimes difficult commitments for countries since the return for this kind of investment is not as visible as in the cases of national activities. Nevertheless, they are vital to the common defence.

(2) In particular, the extensive and wide-ranging infrastructure programme is critical to the success of the plans and operations of the Major NATO Commanders; it is the cement of the defence for in-place forces and a key link between reinforcing and host nation efforts. The programme is costly and even at today's levels does not fulfill all of the MNC's vital A-band priority requirements. In this context, a major burden-sharing challenge will have been met if agreement is reached to fund the infrastructure needed to relocate the 401st TFW from Spain to Italy without detriment to other valid priorities already identified by the MNCs.

e. Armaments Cooperation: There is a continuing need for greater efficiency in procurement practices including improved armaments cooperation and a better standardisation of equipment. The successes in this area are generally the result of bilateral or multilateral efforts amongst Allies, some of them under CNAD auspices. The United States initiatives are good examples of national legislation specifically designed to stimulate cooperation between Allies by setting aside money for development of defence equipment that can only be used in co-operation with other countries and for side-by-side testing with foreign weapon systems. The removal of unnecessary duplication of development costs for the same or similar equipments will also contribute to a greater efficiency in the expenditure of procurement funds. The Conventional Armaments Planning System (CAPS), currently under trial, is a further attempt to enhance the defence by comparing national armaments goals with Alliance military needs and thereby encourage a more efficient use of resources. The full support of all Allies is required if this extensive effort is to be successful.

f. Assistance to LDDI Nations:

(1) With two, possibly three, exceptions, Allies have not adequately responded to repeated calls to assist in strengthening the common defence of NATO by providing financial, material and technological assistance to the three LDDI nations. This critical deficiency is often discussed in force planning, defence planning and armaments fora in Brussels. The situation can be compared to the common-funding situation in that vital needs must be met through a common effort, with no directly corresponding visible return to the donor country. But in a broader sense, there can be no doubt about the return. Strengthening the LDDI nations so that they can assume a greater share of the common defence effort is in the interest of all members of the Alliance.

(2) There are several ways in which progress could be made. One would be additional contributions of resources by more Allies. In this regard the force planning process has developed military

assistance requirements (MAREQS) for LDDI nations in order to focus and clarify the specific needs. These should be reviewed systematically by all relevant NATO fora and by individual Allies; countries should focus their assistance to respond to MAREQS. A second approach would be a deliberate attempt to enhance the weak technological base of the three nations through a variety of means. This could include encouragement of LDDI nations to compete for procurement contracts of the NATO allies, particularly in areas where they already have expertise, involvement of LDDI nations in more co-operative development projects, a preferential bidding status for some projects, and offering them the opportunity to track some projects and obtain the technological flow even though they have no immediate intent to purchase the equipment. In December 1985 the CNAD was tasked by Ministers to study this area but the study was held in abeyance up to October 1988 pending completion of similar work in the Independent European Programme Group. Recognising that there is an urgent need for this effort to move forward, the CNAD is now studying this issue. Allies should, in addition to reconsidering improvements to their direct contributions, assist in pursuing technology aspects in the CNAD.

(3) For the three LDDI nations, the individual cases are made more credible through the sustaining of high levels of national defence effort and by the requisite sharing of all aspects of the wider Alliance political burden and the appropriate assignment of their forces to the Alliance.

g. Efficiency: The level of resources allocated to defence is substantial in member countries. Nevertheless, the cost of maintaining and modernising as necessary existing defence structures continues to increase, whereas defence expenditure trends, in many instances, point downwards to very little or no growth at all. These realities should cause all countries, and the Alliance collectively, to explore all possibilties for offering increased value for their money. This means examining overall defence capabilities, including the scope for shifting resources from support activities to the front line in order to enhance combat effectiveness, better use of reserves and mobilisable forces and, at the same time, optimum use of civil resources and adequate planning for the use of such resources in time of crisis. Military planning and civil emergency planning must be effectively and thoroughly coordinated. Individual countries should make optimum use of opportunities provided through NAMSO and through other cooperative initiatives. The Alliance collectively needs to ensure appropriate efficencies in the infrastructure programme, to provide adequate and clear force planning guidance, to set reasonable challenges to enhance the defence and to recognise the particular and unique strengths and capabilities of member countries.

Additional Prospects for the Short Term

153. For the near term, there are several areas where the attention of individual Allies could be focused in order to give renewed impetus to ongoing priority activities:

a. Enhance the NATO Composite Force: The NCF has been agreed in principle and several contributions to an outline structure and concept have been offered. Nevertheless, some key capabilities are missing, including air defence, anti-tank helicopter and logistics support. During the course of the preparation of the 1990 force goals, NATO Military Authorities should discuss these shortfalls with countries with a view to developing appropriate proposals to rectify the deficiencies.

b. Enhance NATO's Ability to Reinforce ACE: The EWG is currently engaged in a fundamental review of the ability of the Alliance to conduct the reinforcement of Europe. This review will be completed and submitted to Ministers in December 1989. Once the report is agreed it will be essential during the implementation phase that countries make every effort to ensure the necessary enhancements are introduced in the areas of transportation, reception facilities and other required capabilities. This should provide the necessary assurances that the reinforcement concept remains valid and that plans can be fully executed in a timely fashion.

c. Improve Host Nation Support: The Part II review indicated that several countries were actively involved in host nation support in peacetime and for crisis planning. The arrangements are generally made on a bilateral basis between the host country and the reinforcing country. It is suggested that in subsequent annual defence reviews more information should be obtained in order to identify areas where progress is slow and where difficulties exist, with a view to Alliance involvement in seeking solutions in problem areas. Moreover, host countries in general must appreciate the substantial cost and effort involved to those Allies who maintain forces out-of-country in peacetime, and should renew efforts to ease administrative and support burdens on stationing nations.

d. Expedite Consultations with Spain: The accession of Spain to the Alliance was a most positive development, with further progress marked by the successful conclusion of the guidelines for the co-ordination agreements between the Major NATO Commanders and Spain. The situation will be further enhanced once the detailed modalities of a future Spanish defence contribution, albeit outside the integrated structure, are fully agreed. A meaningful Spanish contribution to the common defence will strengthen the Alliance in military as well as political areas.

e. Address Force Goals on NAEW and NATO Tanker Capability: Force goals seeking an upgrade of the NATO airborne early warning capability require the attention of countries. In addition, the concept for the development of a NATO tanker force has existed for some time and appropriate force goals have been formulated. Member countries, in conjunction with SHAPE, should focus on these two items during subsequent bilateral and trilateral meetings and should be prepared to discuss ideas and progress at subsequent annual defence review examinations.

f. Enhance the NATO ACE Mobile Force: The AMF represents a valuable contribution to deterrence from both a military and a political standpoint. There is a military requirement to enhance the capabilities of the force and a political incentive to further demonstrate solidarity by increasing participation in the force. As in the case of the NAEW and Tanker fleet situations, SHAPE should work together with countries and the matter should be pursued during the course of subsequent force planning discussions and assessed during annual reviews.

g. Enhance NAVOCFORMED: In the maritime sphere, the importance of the Mediterranean continues to increase. There is a requirement to strengthen the naval presence in the area and the logical focus is the on-call force (NAVOCFORMED). Efforts to develop a standing force along the lines of the Atlantic and Channel forces should be encouraged, again during relevant force planning deliberations.

Additional Prospects for the Longer Term

154. Defence planning is in itself a long term activity, and significant progress or change in forces' capabilities necessitates adequate foresight, analysis and planning, and can only be realised through the allocation of adequate resources on a predictable and consistent basis. To this end, as noted in Part II, the Alliance is attempting to provide a better framework to assist national defence planning into the longer term, in the interests of enhancing and coordinating the longer term force contributions to the collective defence. To underpin future planning, the NATO military authoritites have developed a Conceptual Military Framework, and major NATO commanders have developed the more detailed supporting documents. Flowing from these is a clearer identification of the long term planning areas requiring attention. This in turn facilitates the development of long term planning guidelines and long term force goals. As a significant addition, the evolving Conventional Armaments Planning System (CAPS) might assist in providing a necessary link between military requirements defined for the future and armaments planning in the long term.

155. These parts of a long term framework have only recently been developed and now require the attention and support of Alliance and national planners in order to make them effective and realistic. The elements themselves must be dynamic, and projections for the future must constantly be used to update the basic assesments. Changes in technology, demographics and threat capability, along with political and economic factors and trends, must be identified early in order that long term defence planning can be more meaningful.

156. Accordingly, the Conceptual Military Framework and its supporting documents need to be kept under review and subjected to feedback as necessary to ensure that they provide an aequate basis for long-term defence planning. Work on the development of long-term planning guidelines and long-term force proposals should be given fresh impetus. Alliance planners in particular will have to ensure that the defence framework presented to countries is coordinated, logical and reasonable; and to that end the EWG is mandated to report on this aspect to Ministers in May 1989.

157. In addition to enhancing the planning framework, the collective defence can be further improved by examining a selective number of longer term possibilities: items with a potentially high return in the sense of both effectiveness and efficiency.

a. Rationalisation and Division of Labour: Enhancing Output by Better Co-ordination of National Efforts: Role specialisation has often in the past been an excuse for unilateral role shedding: the very antithesis of the aim of more equitable sharing of burdens. What is, however, required is an examination of the scope for enhancing output by better co-ordination of national efforts in the light of the need to seek efficiencies, of the fact that there is ongoing and un-coordinated unilateral role changing (e.g. in air defence and air reconnaissance) and of the requirement to face new challenges and develop new capabilities (e.g. Follow-on-forces-attack). In the past, rationalisation and the resulting recommendations for division of labour have usually been considered from a central and very broad perspective. A more incremental and "bottom-up" approach might be examined; i.e. discussions between Major NATO Commanders and two or three countries on matters ranging from gradually shifting specific military capabilities to effecting economies in training and logistic effort by reducing duplication of effort. This approach may necessitate some improvements to Alliance analytical capabilities in this area. The ultimate objectives should be a better co-ordination of national efforts and, in particular, an optimal use of the unique capabilities and strengths of individual Allies. The aim should be not to reduce defence expenditure but rather ensure that the resources are used more cost effectively and thereby to enhance the Alliance defence capability. Proposals should be pursued through established machinery including, as appropriate, force goals.

b. Reserve and Mobilisation Potential:

(1) A principal resource is people and making the most of this valuable resource is essential in view of demographic trends in some countries, particularly in light of fiscal constraints. Allies with a large mobilisable manpower base could provide a significant increase in available forces during time of crisis. Certain countries have recognised the potential of mobilisable reserves and either incorporated them into crisis manpower plans or make them an integral part of the total defence concept. The existing shortfall in required force levels could in part be corrected by more effective utilisation of mobilisable reserves.

(2) Moreover, it can be both cost and mission effective to increase conventional capabilities by speeding up the mobilisation of reserve forces and increasing the number of reservists available for military service. In peace time reserve forces must be organized, equipped and trained to NATO standards, so that upon mobilisation they can readily perform their wartime mission.

(3) Accordingly, all members should redouble efforts in this area to ensure the readiness and availability of required manpower. Countries should consider new ways of developing the necessary mobilisable capability by using a proper combination of active and reserve forces, together with the necessary legislation, equipment and training facilities. SHAPE is currently drafting a Long Term Planning Guideline "Combat Readiness, Availability and Level of Forces" which is expected to be forwarded to countries in early 1989, and this LTPG should be taken into account when the potential for exploiting mobilisable reserve forces is considered.

c. Common Funding:

(1) Common and joint funding programmes make a particularly significant contribution to Alliance solidarity and cohesion. Support for ongoing programmes, in particular infrastructure, needs to be increased. Previous discussion on suggested other mid-term improvements touched upon the tanker fleet idea, the possible activation of a permanent naval force in the Mediterranean and enhancements to the AMF and NCF. Each of these has, to a greater or lesser degree, common funding implications and, if implemented, would enhance considerably both cohesion and defence capability.

(2) Moreover, the success of ventures like the NATO Airborne Early Warning Programme, and of organizations such as NAMSO, indicates that there may be further opportunities in the common-funding field. However, efforts to increase the range of ventures suitable for common funding must not conflict with the need to insure that resources are used as effectively as possible. In this regard, the NATO Infrastructure Committee is continuously improving its procurement procedures, with particular attention currently being devoted to the special challenges posed by high-tech procurement. Careful attention is also being given to identifying the best funding procedures and management structure for the enhancement of NATO's Air Command and Control System (ACCS), portions of which will be commonly funded while other portions will be nationally funded. The scope for further improvements in the management of the infrastructure programme should continue to be examined in order to ensure that the high level of investment devoted to this area is used with maximum efficiency.

Resources for Enhancing the Common Defence

158. Allies generally allocate significant financial resources to defence. The previous part of this review noted that some countries should do more in this regard. There will, however, always be a question of precisely what the requirement is by whatever input measure. The economic situation of countries and hence the ability to contribute to defence, as well as the perceived need to contribute at a constant or even increased level, varies over time and from country to country and thus exact formulae or precise standards will always be difficult to agree. Nevertheless, the Alliance should provide guidance in this regard and does so through Ministerial Guidance.

159. The commonly referred-to measures are percentages of GDP devoted to defence and growth in defence expenditure. The merits of each were considered in Part II. The future Alliance guidance will have to avoid setting unrealistic or unreasonable standards. Nevertheless, the current defence effort must, as a minimum, be sustained and that alone, according to the longer term experiences gained in NATO force planning, demands real growth in available defence expenditure, as does the desirability of enhancing the common defence in certain areas. The extent to which greater efficiency can increase output from available resources should be fully pursued. However, in the long run, until substantial disarmament agreements justify a significant reduction in the defence effort, real increases in resource inputs will be necessary if the defence output is to be maintained and improved.

160. With respect to shares of GDP, it could be unrealistic to seek dramatic growth. That will only be achieved at the expense of other public tasks for which, at the moment, both the economic and general political climate are not very promising. In any case defence shares of GDP reflect not merely what is happening to defence expenditure but also to a nation's overall economic performance: a declining defence share of GDP may simply reflect strong economic growth rather than any decline in defence spending. Nevertheless, most nations have, in the recent past, allocated a larger share of their GDP to defence than at present. They should, therefore, be in a position to reverse the current downward trends or at least to arrest them.

MANAGING THE WAY AHEAD

161. The analysis in Part II and the proposals in this part of the review will require some form of follow-up. Management of the issue of the sharing of roles, risks and responsibilities should, however, be a part of the normal planning and activity of the Alliance. Part II indicated that, to a greater or lesser degree, many of the planning procedures do indeed recognise and incorporate the sharing requirement. This is particularly true of the force planning process, infrastructure planning, armaments co-operation and logistics planning. In this regard the DRC has this year given prominence in each country chapter and the general report to an appraisal and summary of national sharing of roles, risks and responsibilities. This should become standard practise. The regular reports of the EWG on the co-ordination of defence planning can be used to provide the necessary regular overview.

162. One declared aim of this review was to reach agreement on what indicators, from an Alliance perspective, present a fair picture of the efforts of each country for comparison purposes. Part II covered a range of indicators, each on its own an imperfect measure. In their totality they

nevertheless allow a reasonable overall judgment, as reflected in the concluding assesments of Part II, but it should be possible to improve on them in the following respects:

a. with regard to input: examining the most appropriate criteria for comparing defence expenditure and identifying the value of those inputs that are not sufficiently captured by the traditional defence expenditure and manpower statistics, e.g. conscripts and civil resources; and,

b. with regard to output: quantifying output performance in a more meaningful and transparent way, especially with regard to qualitative aspects and expanding the use of such indicators in NATO planning activities; e.g. the annual defence review and the force goal development process.

Again, this should be pursued as part of the regular planning and consultative processes of the Alliance and monitored in the coordination reports of the EWG.

163. One further and fundamental necessity for managing the future is the need to ensure public support for defence. This is a difficult task within democracies, and therefore it poses a difficult challenge to individual member countries and to the Alliance collectively. In the current political climate there is a divergence between on the one hand the signs emanating from the East indicating opportunities for improved East-West relations, and on the other hand the requirement for growth in defence expenditures to maintain a firm and credible defence posture. The need for defence expenditure is linked all too simply yet clearly in the public mind, through the term "threat", to the likelihood of war. If that seems to be receding, the readiness to spend money on defence declines similarly. There is therefore a continuing need to inform Alliance publics that, even if there have been changes in Moscow's approach, the Soviet military posture remains unchanged while its military capabilities continue to increase. Even if there is success in reducing forces through arms control agreements, NATO must retain a strong and effective defence and deterrent capability.

164. In accepting the requirement to share the roles, risks and responsibilities of Alliance collective security in an equitable manner countries must, therefore, improve ways of presenting the security case to publics in a logical, coherent and easily understandable manner. It is clear that informed publics will no longer accept what they see as an alarmist "threat" approach; instead a more subtle, reasoned and persistent message must be developed and presented. Alliance communiques are a natural and logical starting point for such an approach.

PART IV - CONCLUSIONS AND RECOMMENDATIONS

Conclusions

165. It is a matter of great importance to the Alliance that the roles, risks and responsibilities of the collective defence be shared, and be perceived to be shared, in an equitable manner. It is a prerequisite for the maintenance of Alliance cohesion and solidarity.

166. The sharing must be seen in the context of the global situation and on what needs to be done to enhance Alliance

collective security. The defence and security requirements to be addressed must be based on a consensus on what constitutes the risk to global and regional stability and how that risk may change in the light of a changing world situation. The support of Alliance publics is, and will continue to be, a key determinant in improving prospects for enhanced security and, thereby, peace and stability.

167. The issue is complex. The sharing of roles, risks and responsibilities embraces a wide range of contributions by member countries: financial and human resources, land and facilities, services and sacrifices, co-operation and solidarity. Many of these contributions are quantifiable and many are not. Precise comparisons of one type of contribution with another are not possible. The perceptions of the value and the cost of individual contributions varies.

168. Summary assessments of the performance of individual Allies are included at the end of Part II of this review.

169. The differences between some individual national contributions are glaring. While no one indicator can be used to draw conclusions concerning the equity of the sharing arrangement, seen together the group of indicators does provide an indication of overall level of effort by individual Allies. Where that effort is assessed to be inequitable the conclusion would seem justified that there is both scope and need for improvement. Weakness traceable to insufficient funding should be redressed by the commitment of adequate resources to defence.

170. In redressing inequities it is important that this be done in the context of enhancing Alliance collective security. The solid foundation of past efforts, and current initiatives and momentum, provide the necessary start point for the enhancement. It is concluded that such enhancement can be achieved by reinforcing current political, economic and militarily stabilising initiatives and effort on the international scene. The collective defence can be enhanced through the implementation of specific near term measures by all members of the defence planning community, through additional effort in the near term by some countries to redress selective Alliance deficiencies, and by collective exploitation of certain long term opportunities.

171. It is further concluded that there are two fundamental issues to be addressed by all countries:

(a) provision of an adequate level of resources to be able to assume a fair share of the roles, risks and responsibilities in light of the assessments of this review, and

(b) development and maintenance of the necessary public support for defence and security.

Recommendations

172. It is recommended that Ministers agree the report and that the facts contained in the report form the basis for further discussion of the issue.

173. It is further recommended Ministers agree that:

(a) with respect to the near term (and as discussed in paragraphs 152 (a) to (g)) all countries, in close co-ordination with Alliance military and civil authorities, make every effort to:

(1) meet the force goals agreed in the Alliance force planning process, with particular attention to CDI highlighted goals, noting that for some countries a much greater effort is required;

(2) improve the status and level of allocation of forces to the Alliance;

(3) improve, as a matter of urgency, force sustainability, particularly for battle decisive ammunitions; meet as rapidly as possible the interim force goal sustainability standards;

(4) make further contributions to the essential stockpile of ammunition under CINCSOUTH control with a goal of declaring the stocks operational as soon as practicable;

(5) provide adequate contributions to common-funded programmes and, in particular, fund the move of the 401st TFW from Spain to Italy without detriment to other valid elements of the planned infrastructure programme;

(6) support fully the trial of the conventional armaments planning system and other progressive efforts in the armaments co-operation field;

(7) improve support to LDDI nations by focussing national efforts on meeting the military assistance requirements (MAREQS) contained in the force planning process, and investigate other ways of assisting the LDDI nations through improving their technological base, noting that at present very few countries make a substantial effort in this respect;

(8) pursue ways of improving the efficiency of the defence effort on both a national and an Alliance basis, including examining the scope for shifting resources from support to front line activities in order to enhance combat effectiveness, better use of reserve and mobilisable forces and optimum integration of civil resources and planning into the defence effort; and

(9) (as concluded in paragraph 171a and in accordance with Ministerial Guidance) provide a level of resource allocations to defence adequate to enable them to maintain or assume a fair share of the roles, risks and responsibilities in light of the assessments in this review, noting that for some countries particular efforts will be necessary.

(b) with respect to other potential near term activities (and as discussed in paragraphs 153 (a) to (g)) countries, in close co-operation with Alliance military and civil authorities, support as appropriate specific ongoing efforts aimed at enhancing the Alliance collective defence;

(c) with respect to the longer term (and as discussed in paragraph 156), countries and Alliance military and civil authorities improve planning related to long term opportunities by focussing on and reviewing when necessary the Conceptual Military Framework (and supporting documents), long term planning guidelines, and long term force proposals;

(d) with respect to the longer term (and as discussed in paragraphs 157 (a) to (c)) countries, in close co-operation with Alliance military and civil authorities, examine opportunities in the following three principal areas, with the EWG to make specific recommendations for follow-up action in its Spring 1989 report to Ministers:

  (1) The rationalisation and division of labour, with a view to enhancing output by a better co-ordination of national efforts and an optimal use of the unique capabilities and strengths of individual Allies and to eliminating duplication in training, logistics and other areas;

  (2) reserve and mobilisation potential, with a view to increasing conventional defence capabilities through enhancements to the training and equipping of reserves, by improvements to the mobilisation process and legislation, and through optimal integration of standing and reserve forces. The Long Term Planning Guidelines on Combat Readiness, Availability and Level of Forces is an essential first step and, thus, every effort should be made to ensure its timely completion;

  (3) common and joint funding, including examining new areas in the common funding field, aimed at enhancing both the collective defence and Alliance cohesion.

(e) with respect to arms control and disarmament solidarity must be maintained, an effective collective defence is an essential prerequisite for progress, no country should take steps towards unilateral disarmament, and initiatives should only be pursued that would maintain or enhance security and stability.

(f) with respect to the management of the issue of the sharing of roles, risks and responsibilities

  (1) the Defence Planning Committee in Permanent Session will oversee the follow-up action on the recommendations agreed in this report. To the extent possible the situation should be monitored and progress pursued through existing NATO bodies and procedures. In this regard the Executive Working Group, will, through its reports on the Co-ordination of Defence Planning, provide the necessary overview;

(2) the sharing of roles, risks and responsibilities should be a major theme in Ministerial Guidance and an important factor in developing and setting priorities in future force goals. The DRC should also continue, as part of each annual defence review, to include in country chapters and the general report, an appraisal and summary of this factor.

(3) all countries in the Defence Planning Committee, in close co-operation with the Alliance military and civil authorities, should consider ways of improving both input and output measurement.

(g) with respect to public support for defence (as discussed in paragraphs 163 and 164) countries and Alliance authorities should develop ways of presenting the security requirement in relation to Warsaw Pact capabilities to publics in a logical, coherent and easily understood manner in order to help retain support for the provision of sufficient resources to implement Alliance strategy.

Questions Submitted by Senator Johnston

NAVY ORGANIC AIRLIFT

Question. Last March, Rear Admiral Smith, in his written statement to the HASC Subcommittee on Personnel, stated that only 60% of the peacetime demand for Navy organic airlift was being met due to a shortfall in medium/heavy airlift capability. He also mentioned a CNA Study which addressed the wartime deficiency of Navy medium/heavy airlift.

How does the Naval Air Reserve support the Pacific/Atlantic Fleet wartime and peacetime logistics requirements?

What are the required cargo loading characteristics/flight parameters of a medium/heavy lift aircraft?

Would you say the term "medium/heavy" lift would apply to a C-130 category of aircraft?

Is the C-130 mentioned in the CNA Study?

What, according to the CNA Study, is the total wartime readiness requirement for C-130 category aircraft? What is the current inventory?

Would an increase in Naval Air Reserve productivity corresponding with the introduction of C-130s in the Naval Air Reserve increase the wartime logistics readiness of the Pacific/Atlantic Fleet?

Answer. In wartime, two Naval Reserve Squadrons with a total of six C-9B aircraft deploy to meet LANTFLT intra-theater airlift requirements. Three Coast Guard HC-130 aircraft allocated to LANT also deploy as do two Navy CT-39 aircraft and five C-2A aircraft. These aircraft support CVBGs operative in the Norwegian Sea and Navy P-3 aircraft ashore in UK, Norway and Portugal. Cargo and personnel will be flown from the primary LANTFLT Advanced Logistics Support Base (ALSB) Clyde, Scotland to a Forward Logistics Site in Norway (site TBD based on availability and proximity to CVBGs). The Navy COD/VOD aircraft, five deployed C-2A aircraft and two deployed CH-53E helos, ferry cargo and personnel to the deployed CVBGs from the ALSB. The Naval Reserve is responsible for all peacetime CONUS DON airlift requirements. These are scheduled by the Naval Air Logistics Office (NALO) through regional scheduling activities. During CY-88 CINCLANTFLT requested 32% (161,000 PAX) of all Navy passenger movements and 42% (7 million tons) of all Navy cargo movements. Approximately 75% of these requests could be honored by NALO, indicating full utilization of existing Naval Reserve capability.

The primary required characteristic is a tail-loading capability in order to carry out-size cargo, such as F/A-18 engines and most helicopter rotor blades. C-9 type aircraft cannot load such cargo through the side loading fuselage cargo door. Medium/heavy lift aircraft should also be capable of long range operations (excess of 2000 NM) and capable of operating into and out of short fields (less than 5000 ft.)

A C-130 aircraft would be classified as medium/heavy lift. Present in-theater aircraft are sufficient for intra-theater airlift. No known heavy lift aircraft are needed in-theater. USCG HC-130's are capable of carrying the cargo that does not fit into a C-9, i.e. MOCC, AMCC, or MMF vans (Standard 8x8x20 MILVANS). Only if unscheduled, unplanned excessive size cargo, e.g., propeller shaft for submarines, large SONAR dome, etc., arrive in-theater would heavy lift aircraft be required. This could be accommodated on a case basis by C-141/C-5 aircraft.

The CNA study addresses overall Navy worldwide requirements (for a 15 CVBG Navy, four BBBGs, combat logistics forces, convoy escorts three Marine Expeditionary Forces and P-3 squadron support in a global war). The CNA study projects an inventory of 10 C-130 aircraft and recommends an inventory of 20 C-130 aircraft (18-Europe, 11-Pacific, 0-CONUS). The CNA study does not consider or address the 31 USCG C-130 aircraft apportioned to the Navy (14 LANTFLT, 13 PACFLT, 4 USCG HQ). The CNA study addresses only variables such as the cost of a C-130 ($1446 per flight hour compared to $1226 for a C-9); the load limit (30,000 lb load limit for C-130 compared to 28,000 lb load limit for C-9); and procurement cost (15 million for C-130 and an estimated cost of 11.3 million for C-9B (DC-9 with modifications).

The total wartime readiness requirement for C-130 category aircraft was not addressed, neither did the study attempt to identify the best model aircraft necessary for mission requirements.

The introduction of the C-130 into the Naval Reserve will provide more flexibility, more rapid response, and will free up USCG HC-130 assets for USCG taskings such as SAR. Also, the Navy version, C-130F, is better configured to carry cargo than a Navy C-9B or USCG HC-130. If additional Naval Reserve purchases are contemplated, the C-130F is preferable to additional C-9Bs.

Questions Submitted by Senator Byrd

EFFECT OF INF TREATY ON ATLANTIC FLEET MISSIONS AND OPERATIONS

Question. What effect will the INF treaty have on the peacetime and wartime roles, missions, and operations of U.S. Atlantic Fleet forces? Please include, but do not limit, your response to the probability and possible implications of Atlantic Fleet sea-launched cruise missile (SLCM) platforms taking over the missions of the U.S. ground-based missiles to be eliminated under the treaty.

Answer. In my estimate, the INF Treaty [Deleted].

NAVAL FORCES AND EUROPEAN ARMS CONTROL

Question. Soviet leaders since 1986 have made numerous proposals for various forms of naval arms control. Naval forces have been excluded from the first round of negotiations on reducing conventional forces in Europe, but the Soviets have proposed setting up parallel negotiations to cover naval forces or discussing naval forces in some other, already existing negotiating forum. The Soviets have also made clear that they regard naval forces to be an integral part of the calculation on the overall East-West military balance in Europe. What is your view on the role that naval forces should play directly or indirectly in the new talks on reducing conventional forces in Europe? Please include in your answer your view on the possible benefits of naval arms control agreements with the Soviets, and on whether naval forces should be covered in parallel negotiations, in an already existing forum, or in follow-on rounds of the new European arms talks.

Answer. We should categorically refuse to negotiate any reductions or restrictions on naval forces that would jeopardize our ability to keep the sea lines of communication open to Europe in any future conflict. Asking us to reduce our naval ability is analogous to us asking the Soviets to tear up the rail heads and bridges leading out of western Russia. There already exists numerous fora to reduce tensions and build confidence. Unlike sovereign land boundaries, the international oceans are in themselves open to all forms of observation and communication. Among these are existing NATO annual exercise calendar notification, national exercise notification, agreements to prevent incidents at sea, notices to airmen and mariners (NOTAM's), international communications requirements on all ships, NATO exercise press releases (usually occurring approx 10 days before the exercise), and the Nuclear Risk Reduction Center. With all of these measures, sufficient transparency already exists in the naval arena. The U.S. must be very careful that we do not let an exuberance for arms control and cost cutting preclude our efforts to reinforce Europe in any future conflict. It has been obvious in two World Wars in this century that a ground conflict in Europe cannot be sustained without Western control of the seas for reinforcement, resupply and sustainment. This fact and the geography that makes it so have not changed. A Warsaw Pact perception that the NATO Alliance can not control the sea to carry out this task is in my opinion destabilizing. NATO is an Atlantic Alliance. The Atlantic Ocean is its lifeline, and we should never negotiate away our ability to control it. We should not forget that a tank in the Soviet state of Georgia is quite different to deliver to Europe than a tank in Georgia in the USA.

Additionally, the United States is a global maritime power with vital interests outside the influence of the Warsaw Pact or Soviet Union. The most recent events in the Persian Gulf highlight our commitments of naval forces. In the late seventies, the administration in power sent two aircraft carrier battle groups to the Indian Ocean in support of U.S. foreign policy. These type efforts are not doable for long with a small Navy if we are to be able to retain personnel in our Navy. The deployment lengths required in the Indian Ocean resulted in a hemorrhage of talent, as we had forces deployed for as long as 90 to 120 days with no liberty ports and the promise of getting to do similar deployments again with relatively little time between deployments.

COOPERATION WITH SOVIETS IN ARCTIC RESEARCH

Question. The Soviets have recently proposed to cooperate with the United States in joint research projects in the Arctic, a region of increasing military importance. Some observers are unclear as to Soviet motives for this offer, since the Soviets have a more extensive Arctic research fleet. What is your opinion on the advisability of the United States participating in joint research projects with the Soviet Union in the Arctic, and what do you believe is motivating the Soviet offer?

Answer. While I would prefer to leave the advisability question to the specialists in the area, I can make several observations. [Deleted.]

IMPACT OF PERSIAN GULF DEPLOYMENT ON ATLANTIC OPERATIONS

Question. To what degree did the Navy's heightened deployment to the Indian Ocean/Persian Gulf region in 1987–88 affect the ability of the Atlantic Command to maintain preferred levels of presence in the Atlantic and the Norwegian Sea and to carry out planned exercises, readiness training, port calls, and maintenance in the Atlantic and the Norwegian Sea? Please provide statistics and details to help illustrate your answer, and provide for the record a table showing the annual number of U.S. carrier days in the Norwegian Sea for each year since 1970.

Answer. [Deleted.]

A significant impact on CINCLANTFLT caused by PG deployments is in the area of increased PERSTEMPO and decreased Turn Around Ratio (TAR) for TACDESRON staffs, FFG 7s and LPDs (MSO mothership).

—TACDESRONS. Deployments to PG commenced in Jun 87 to tactically direct Earnest Will escort operations in accordance with a schedule coordinated with CINCPACFLT. This requirement, when added to the standing deployment and training commitments, drove TACDESRON average TAR from 2.3 to 1.5:1. The TACDESRON requirement has recently been eliminated as part of the reduction of force currently dedicated to Persian Gulf operations. PERSTEMPO for the seven TACDESRONS from second QTR 87 and through third QTR 89 is as follows (Zero days equates to 50% in homeport):

TACDESRONS	*Days*
CDS 14	14
CDS 20	−333
CDS 22	−270
CDS 24	−202
CDS 26	3
CDS 32	190
CDS 36	−329

—FFG 7. Increased MEF deployment requirement has reduced FFG 7 class TAR to 2.1:1. The average LANTFLT CRUDES TAR is 2.3:1.

—LPD. The MSO mothership requirement reduced LPD TAR to 2.0:1. Scheduling flexibility for amphibious ships was degraded. The MSO mothership requirement has recently been eliminated through PG force reduction decisions.

SOVIET OUT-OF-AREA DEPLOYMENTS

Question. The Navy testified last year that Soviet ship-days away from home waters—known as out of area (OOA) deployments—declined 6 percent in 1987. This was the third straight year in which Soviet OOA ship-days declined, the peak having been registered in 1984. Does this decline in Soviet OOA ship-days make possible a reduction in the requirement for U.S. Navy overseas ship-days in the North Atlantic and the Norwegian Sea?

To supplement your answer, please provide for the record figures on Soviet OOA ship-days (and, if possible, tonnage-days, which may be a better measure) in the Atlantic and the Norwegian Sea each year since 1978.

Answer. The Soviets have reduced the tempo of their naval operations outside their coastal seas since 1985. They have done this by retiring many older, less capable units. Also, their naval exercises have not taken place as far south in the Norwegian Sea and northeastern Atlantic as we had previously seen. However, there has not been a corresponding decline in their naval operations in areas closer to home. As a result, despite the reduction in distant operations, the Soviets are far more formidable opponents in Nordic waters now than they were just 3 years ago.

[Deleted.]

Obviously, the U.S. situation is very different. Where the Soviets are a continental power having land frontiers with their major allies, we are essentially an island nation and a maritime power. The Soviets can cut back on overseas operations and even on some naval forces without cutting back on support to their Warsaw Pact allies; we cannot.

CANADIAN NUCLEAR-POWERED ATTACK SUBMARINE PROGRAM

Question. Canada is now considering whether to go ahead with a plan to acquire 10 to 12 British- or French-designed nuclear-powered attack submarines (SSNs). What is your view of the Canadian SSN program? Please provide in your answer a discussion of the role these SSNs might play in helping to execute your warfighting plans for the Atlantic.

Answer. Canada's decision to acquire SSN's will be based upon both national and NATO alliance considerations. Hopefully, members of NATO carefully evaluate all factors to strike a balance between national sovereignty and alliance needs. Obviously, a decision to acquire SSN's will require funding tradeoffs in other mission areas. However, I am not aware of the specifics being considered by the Canadian government. The program, if implemented, would span several years. I would anticipate integration of Canadian SSNs into the NATO alliance as they come on line. Employment would focus on keeping the sea lines of communication open to Europe for resupply and reinforcement.

NATO GROUND FORCES IN NORWAY

Question. As a part of its watershed 1987 defense review, Canada announced that it was ending its commitment to send ground forces to Norway in time of war. A new multinational unit has been organized by NATO to replace the Canadian force previously committed to Norway. How have CINCLANT's warfighting plans been affected by the Canadian decision to end its wartime ground-forces commitment to Norway? Please include in your answer a discussion of the extent to which the new multinational unit compensates for the loss of the Canadian force, and where the elements of this multinational unit would otherwise have been committed.

Answer. There is no direct impact to USCINCLANT's warfighting plans arising from the Canadian decision to end its wartime ground forces committed to Norway. The new multinational unit to replace the Canadian forces has not yet been completely structured. Whereas Norway falls within General Galvin's purview, he could provide you with the most up-to-date information.

MARITIME STRATEGY, CINCLANT PLANS, AND NATO MARITIME OPERATIONS

Question. The relationship between the Navy's maritime strategy, CINCLANT's warfighting plans for the Atlantic, and NATO's concept of maritime operations (CON MAR OPS) is difficult to sort out. What is the relationship between these three strategic documents? Please include in your answer a discussion of the extent to which the maritime strategy has been incorporated into CINCLANT's warfighting plans and CON MAR OPS, as well as an indication of when this process of incorporation began, and, for the record, a list of the countries, agencies, and offices involved in this relationship.

Answer. While the Navy's Maritime Strategy, USCINCLANT's warfighting plans, and NATO's Concept of Maritime Operations (CONMAROPS) were drafted independently by three different groups, they are all in agreement. The principle of forward maritime strategy, contained in each, is consistent with the U.S. concept of forward defense and with NATO's CONMAROPS. Forward maritime operations in the Norwegian Sea and North Atlantic are fundamental to maintaining deterrence and to warfighting strategy in the defense of the United States and NATO. The basic strategy for NATO maritime forces was approved in 1968 and has changed little since. It clearly states NATO forces will, when times of tension permit, be forward deployed in the best position to deter conflict and if deterrence fails to be in the best position to fight the conflict. The so-called "Navy's maritime strategy" and CONMAROPS say essentially the same thing.

QUESTIONS SUBMITTED BY SENATOR McCLURE

SEA-LAUNCHED CRUISE MISSILE

Question. The Sea-Launched Cruise Missile, or SLCM, is one of the main points of disagreement in the START negotiations. Among the solutions being discussed are restrictions on deployment of both nuclear and conventional SLCMs, and a possible total ban on SLCMs, nuclear, conventional, or both. Among the U.S. arms control lobby, many are now saying that we would be better off without SLCMs because the Soviets will eventually develop sophisticated SLCMs that will pose a greater threat to us than ours do to them. Or they are saying that the SLCM, especially a stealthy SLCM, is a first strike weapon.

What would it do to your operational flexibility in the Atlantic fleet, and to the ability of the Navy to support NATO's nuclear strategy in the wake of the INF Treaty, to ban either nuclear or conventional SLCMs?

How do you respond to the arguments that we're better off without SLCMs, or that SLCMs are a first-strike weapon?

Answer. Should sea launched cruise missiles (SLCMs) be banned by an arms control agreement, there would be a number of militarily disadvantageous consequences. Among these are:

—The only remaining USN assets for power projection, conventional or nuclear, with significant range would be carrier-based attack aircraft.

—Removing SLCM from the inventory would reduce the number of ships capable of threatening the enemy's homeland by more than 200, significantly reducing the magnitude of this targeting problem. The USSR, for example, could then concentrate it's land-based bomber forces against a few carriers to protect against carrier-based air attack. More forces would be available for the Soviets to attempt prosecution of our SSBN force.

—In high-threat areas, manned aircraft are not as survivable as SLCM. Even in low intensity, third-world conflict, many of the most lucrative targets are heavily defended. The use of SLCM in such cases may be politically more palatable—no lost aircraft, no prisoners.

—The absence of SLCM effectively caps the number of tactical nuclear weapons USCINCLANT can array against the enemy to the number that can be carried in carrier magazines.

—The loss of nuclear SLCM eliminates a significant rung on the escalatory ladder, reducing our capability for flexible response.

—Nuclear and conventional SLCM represent a low-cost means of providing support to NATO allies, as they represent a small marginal cost increase over the platforms on which they are based, and those platforms must be purchased for their primary missions anyway.

In order to accomplish assigned missions during wartime and for contingency operations, USCINCLANT requires the capability to project power. This requires the operational flexibility to respond in high and low intensity conflicts, nuclear and conventional. SLCM is integral to that flexibility and is a significant force multiplier. [Deleted.] Targets can be destroyed without loss of aircrew while minimizing collateral damage. [Deleted.]

ASAT

Question. The FY 90 DOD budget request includes funding for R&D on both kinetic-energy and directed energy anti-satellite weapons. The Navy has been a strong supporter of development of an ASAT. Much of the discussion of this system has centered on the role of ASAT in destroying Soviet reconnaissance satellites used to target U.S. ships and convoys bringing reinforcements across the Atlantic in a European war. What are your views on the need for an ASAT program?

Answer. [Deleted.]

CVBG'S VERSUS NAVY MISSIONS

Question. Admiral, we have heard a great deal from the Navy on the vital need to defend our sea lanes of communication. I certainly agree with you on the importance of that role. But it seems to me that the Navy's overriding priority is getting 15 carrier battle groups, which are critical for power projection, but less optimal for the mission of guarding our sea lanes of communication. Would you care to comment? Do you believe the carrier battle group is the optimal force for defending the sea lanes? Does the Navy's current and projected force structure, in your view, provide the most efficient mix for carrying out the Navy's various missions, including the lines of communication mission, the force projection mission, the ASW mission, and others? I would appreciate a thorough response to this question, in classified form, if necessary.

Answer. The merits of the 15 carrier battle groups has been well defined in the many reviews and testimony conducted on this subject. As a major role player in the maritime strategy, the carrier battle group combined with other naval assets is designed to provide the commander with the flexibility to conduct a variety of missions. While the carrier battle group is well suited for power projection, the defense of the sea lines of communications can be provided through forward defense, one of the three pillars of national strategy.

The carrier battle group provides the CINC with the capability to define and defend the area that he feels provides the best use of assets available to him. No better force has been developed to effect the Sea Control mission. The CVBG remains our most effective and efficient means of providing defense of our sea lines of communication.

Our capability to protect sea lines of communication, control specific ocean areas, and project power to distant reaches of the globe is vital to Western security and the safeguarding of U.S. interests worldwide. Almost any type of regional or major power conflict involving U.S. interests will require the use of naval forces and the movement of men and materiel by sea. Although the Soviets have improved their naval forces' capabilities, our own shipbuilding and modernization programs have kept pace and we are maintaining a maritime balance favorable to the United States.

The Soviet Navy's primary strategic wartime mission is to deny Western navies access to maritime regions near the Soviet land-mass. The Soviet Navy would concentrate on protecting its SSBN forces and destroying opposing nuclear-capable forces, such as U.S. SLCM equipped submarines and surface ships and aircraft carriers. The U.S. Navy's maritime strategy is to control vital sea lanes and to conduct offensive operations in Soviet maritime operating areas and deny the Soviets a sanctuary. The force-projection and sea-control missions of the United States and its allies, and the sea-denial missions of the Soviets and Warsaw Pact are asymmetrical. This asymmetry drives force structure differences.

The maritime balance today is complex and the margin of allied superiority is being reduced, although the United States and NATO maintain a lead over the Soviets in important warfare areas. Indeed, despite measurable improvements in the Soviet submarine force, we currently maintain an anti-submarine warfare (ASW) edge. This edge depends upon our ability to operate submarines, maritime patrol aircraft, surface ASW ships and fixed surveillance systems in a coordinated manner. Only submarines can operate in an environment without control of the air, and even submarine operations without a neutral air environment are more constrained and difficult. However, the ability to carry out successful ASW in areas near the Soviet homeland are dependent on carrier air power to permit MPA and surface ASW platforms to be effective in these areas. All studies clearly show ASW conducted in the seas adjacent to the Soviets are far more effective than permitting the Soviet submarine force to reach the broad ocean areas. The geographical advantages we enjoy have to be exploited. This cannot be done without carrier air power. The U.S. Navy will also retain significant advantages over the Soviets in tactical air, long-range power projection, sustainability at sea, and in its ability to operate the new and more sophisticated ships entering the inventory.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

PANAMA CANAL

Question. Admiral, in the event of a war in Europe, how dependent is the success of the mission of the Atlantic Command on having free passage through the Panama Canal?

How confident are you that the United States can rely on the cooperation of General Noriega in allowing free passage through the Panama Canal?

Answer. [Deleted.]

DRUG INTERDICTION

Question. Admiral, could you outline the role the Atlantic Command now plays in the drug interdiction effort and what additional resources, personnel, and equipment would be effective in enhancing your ability to stop the smuggling operations.

Answer. The Atlantic Command continues to play a proactive role in anti-drug operations. During the last fiscal year we dedicated over 1000 ship days and over 3000 flying hours in support of those operations, and the numbers continue to grow. Additional support includes ground mobile air search radars like the ones we have in the Dominican Republic and on Providenciales, a long list of communications equipment to permit secure connectivity, and personnel at several locations to operate our equipment. In February we established an anti-drug task force, headed by a three-star Admiral, to coordinate detection and monitoring operations throughout our area of responsibility. That task force will be working with DOD and non-DOD agencies, including DEA, Customs, Coast Guard, and NSA to name a few, scheduling surveillance assets to support interdiction operations. The task force will not only plan, coordinate, and schedule those assets, it will also fuse intelligence data from a wide variety of sources to better enable sorting of suspect targets. Additional resources required include communications equipment to permit secure voice and data connectivity with tactical assets and non-DOD agencies participating in anti-drug operations, permanent personnel billets to man our task force so we can operate around the clock, and additional fixed and mobile surveillance systems, such as aerostats, to fill the present gaps in our radar coverage. As our task force becomes operational, and begins to interact with non-DOD law enforcement agencies, it will be able to clearly define what additional critical resources are required.

SUBCOMMITTEE RECESS

Senator INOUYE. We will stand in recess until Tuesday, March 14, at 10 a.m., at which time we will discuss enlisted personnel issues with the Sergeants Major of the Army, Marine Corps, Air Force, and the Master Chief Petty Officer of the Navy.

[Whereupon, at 5:03 p.m. Tuesday, March 7, the subcommittee was recessed to reconvene at the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

TUESDAY, FEBRUARY 28, 1989

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:00 a.m. in room SD-138, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Johnston, Bumpers, Lautenberg, Stevens, D'Amato, and Specter.

CLOSED SESSION

DEPARTMENT OF DEFENSE

U.S. CENTRAL COMMAND

STATEMENT OF GEN. H. NORMAN SCHWARZKOPF, COMMANDER IN CHIEF, U.S. CENTRAL COMMAND

HEARING PROCEDURE

Senator INOUYE. Because of the classified nature of the testimony this morning, if there is no objection this meeting will be closed, and it will be closed to all those who do not have secret classification. All of us have secret level? DOD?

This morning we will hear from Gen. Norman Schwarzkopf, Commander of the U.S. Central Command, and Gen. Duane Cassidy, Commander of the U.S. Transportation Command.

This morning's session continues a series of hearings the subcommittee is conducting to obtain the views of the war-fighting commanders. The hearing this morning contrasts two different types of CINC's. General Schwarzkopf has responsibility for a large portion of the world in the Middle East and Africa. General Cassidy, in contrast, has the functional responsibility of managing the transportation and lift assets of all the services, as well as the coordination of civilian resources during mobilization.

The combination of these two witnesses also illustrates the vital role of lift and support of any deployment and military activity by the U.S. forces.

General Schwarzkopf faces the unique assignment of coordinating war plans and exercising operations in a region where the United States is virtually without permanent land-based facilities.

To further complicate his mission, General Schwarzkopf has no permanently assigned ground or air units within his area of operations and takes operational control of naval assets on a temporary basis only when they enter the Central Command region.

Recognizing these considerable challenges, the committee looks forward to hearing how the Central Command functions in one of the world's most volatile areas.

Your statement, General, focuses great attention on security assistance and on international military education and training programs as vital to relations with the countries in your area of responsibility. As you know, as chairman of the Foreign Operations Subcommittee I was acquainted with these issues. I understand your concerns.

The budget constraints we currently face in the Defense bill are equally tight, and our security assistance appropriations.

I am especially anxious that the committee hear from General Schwarzkopf early this year, as we are planning an extended trip to NATO and the Middle East early this spring. I am hopeful that other members of the committee will be able to accompany me as we try to better comprehend the complexities of security issues in these regions.

The Iran-Iraq War, the Persian Gulf escort mission, the Soviet presence in Afghanistan, and the continuing enmity between Israel and its Arab neighbors have centered world attention on this part of the globe, and U.S. security policy is profoundly impacted by what transpires in the Middle East and Central Asia.

Up to this point, the committee has conducted these hearings with the CINC's in open session so as to develop a public record on the status of our Nation's military forces around the world. However, at the request of General Schwarzkopf and recognizing the extremely sensitive issues pertinent to this testimony, we have decided to close this session for a necessary period this morning.

Accordingly, General, I hope that this will permit you to speak with the candor and frankness that I gather is your usual manner.

We have accounted, as you noted, for the clearances of our staff in the room, and I am assuming that the DOD personnel here have also been cleared to receive secret testimony.

Unfortunately, our time this morning is rather constrained with a meeting of the full committee scheduled for 11 this morning.

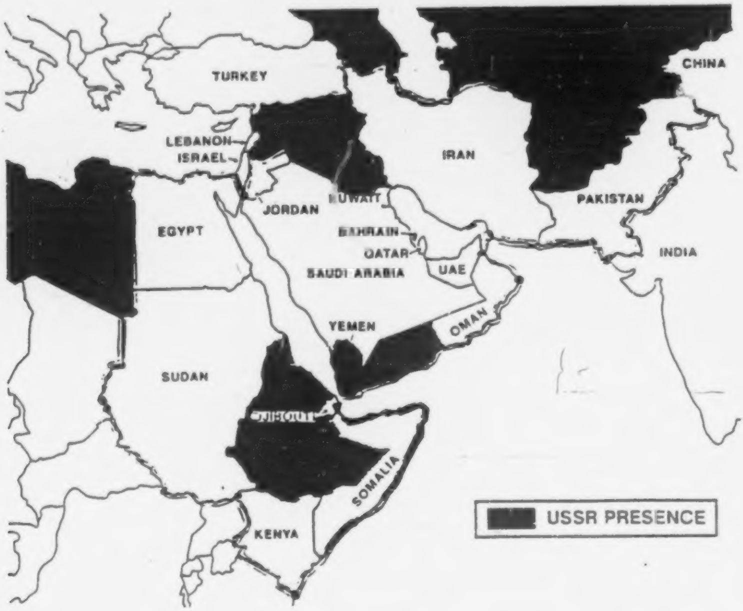
We have received your statement, General, and as always it will be included in the record in total. If members do come in, I will try to limit their time in the first round of questions to not more than 5 minutes, and hopefully this will give General Cassidy time to testify and be heard.

Once again, it is good to see you, sir. And I look forward to seeing you later in March.

General SCHWARZKOPF. Thank you, Mr. Chairman, members of the subcommittee.

STATEMENT HIGHLIGHTED

I am honored to appear before you for the first time as the Commander in Chief of the U.S. Central Command. I would like to make a very brief opening statement, and I have also provided you with some charts for use during this opening statement.


TURKEY
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BAHRAIN
QATAR
SAUDI ARABIA
UAE
INDIA
YEMEN
OMAN
SUDAN
DJIBOUTI
SOMALIA
KENYA
■ USSR PRESENCE

CHART 1

The Central Command's area of responsibility is shown on chart I. It includes the Middle East, the Horn of Africa, and Southwest Asia, and it is absolutely vital to our national security.

The Middle East portion alone holds 70 percent of the noncommunist world's oil reserves and accounts for 20 percent of the U.S. oil imports. These reserves exceed 100 years' supply for western economies, with many promising areas not even yet explored.

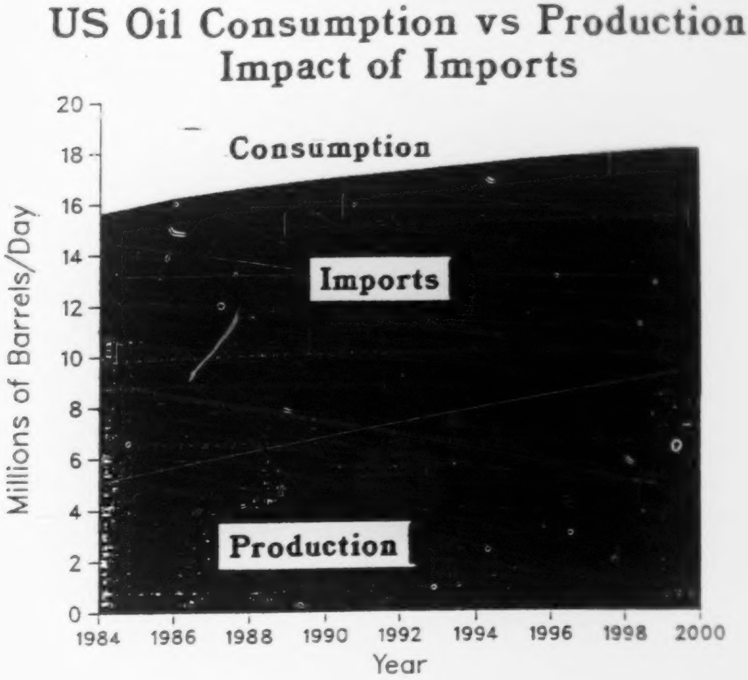


Chart 2

Accentuating this fact, as you can see on chart number 2, U.S. domestic oil production is forecast to decline by as much as 20 percent by the year 2000. Some estimates even go so far as to predict that when the United States and Soviet Union's oil is depleted in the 21st century, the Middle East will have on hand almost 200 years' supply in reserves.

This area of the world also contains essential sea lines of communication that, in addition to providing for the movement of the oil and other commerce, strategically link the Atlantic, the European, and the Pacific theaters of both the United States and our allies.

These waterways, including the Suez Canal, the Red Sea, and the Persian Gulf, must remain open. The Soviets are also interested in this area because of its oil and its strategic position. For the first time, they now maintain a significant naval presence in the Persian Gulf.

In addition, there is a well-established Soviet military presence in Ethiopia, North and South Yemen, and Iraq. And although the Soviets have withdrawn their combat forces from Afghanistan, they still supply the regime with substantial military hardware, and many, many Soviet advisors remain in the country.

Moreover, the Soviets stand as willing arms merchants to virtually anyone in the area, and with these arms deals come a heavy dose of Soviet advisors and military presence. In the past 5 years, countries in the Central Command area of responsibility received approximately $30 billion in Soviet security assistance, $8 billion in 1988 alone.

Also, the Soviets have been successfully cultivating the press and public opinion in the Arab world. For example, the United States Information post in Saudi Arabia reports a recent spate of newspaper articles which portray in a positive light the changes taking place in Gorbachev's Russia. Also, a newspaper in Qatar is serializing the memoirs of the first Soviet ambassador to Egypt, presenting the work as an historical background to expanding Soviet-Arab ties.

Quite simply stated, you would not have seen these stories only a year ago.

This buildup of Soviet presence and influence in the region through a combination of persistent diplomacy and willingness to sell arms to any buyer and increasing military and political presence poses a real threat to U.S. long-term strategic interests.

To counter this threat and to protect our vital national interests in the area, CENTCOM is guided by two strategies—one for peacetime and another for wartime. And as I will describe, the wartime strategy is totally dependent on the successful execution of our peacetime strategy.

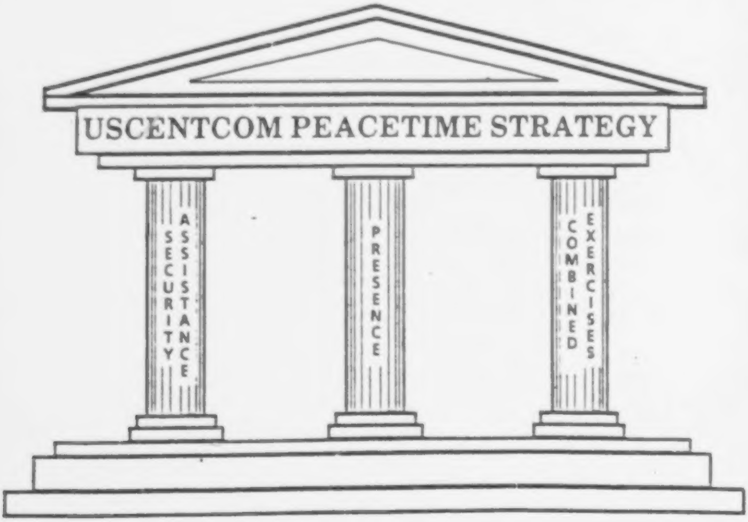


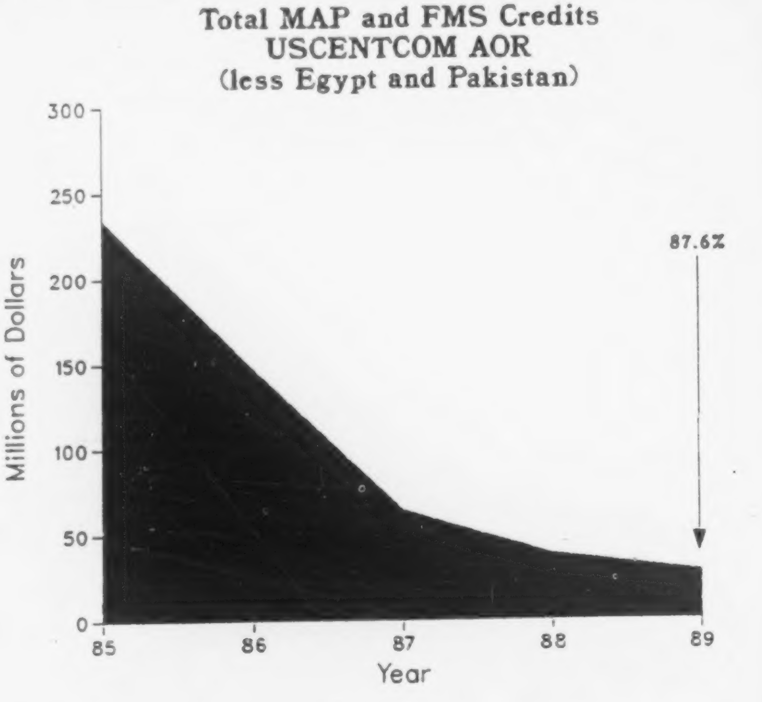
CHART 3

Chart 3 pictorially shows that the Command's peacetime strategy is built upon three pillars: security assistance, U.S. presence, and combined exercises.

SECURITY ASSISTANCE

Security assistance is a small investment that pays big dividends, and I cannot emphasize this point strongly enough. Security assistance leads to presence, presence leads to access, and access to the facilities in the region is absolutely vital if this Command is to execute its wartime responsibilities.

Moreover, security assistance is one key to the success of our warfare strategy where, in the event of a Soviet attack, our regional friends would assume responsibility for their own defense, freeing U.S. forces to counter the Soviets if necessary.



Total MAP and FMS Credits
USCENTCOM AOR
(less Egypt and Pakistan)

CHART 4

Unfortunately, the benefits from security assistance are now in jeopardy. Since 1985, as shown on the next chart, with the exception of Egypt and Pakistan, funding for security assistance in my area of responsibility has declined 87 percent.

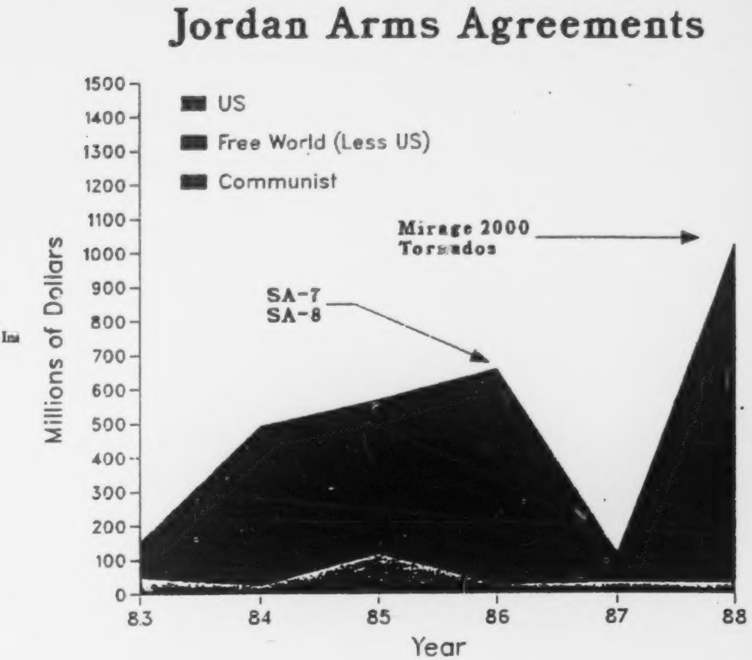


CHART 5

Chart 5 shows a very dramatic example of this decline, the case of Jordan, who over the years has not only been a steadfast friend of the United States, but a consistent voice for moderation and compromise in the area. Security assistance for Jordan has dropped by 89 percent since 1985. For 1989 Jordan was provided only $10 million, down 62 percent from the $26 million provided in fiscal year 1988—and this to a nation that has the best record of debt servicing in my entire area of responsibility.

I can give you other examples, such as the Yemen Arab Republic, which has suffered a 50 percent decline from $1 million in fiscal year 1988 to $0.5 million in fiscal year 1989.

Our security assistance chief in the Yemen Arab Republic says that the bare minimum U.S. programs there simply cannot be maintained with this level of assistance. Yet North Yemen is a critically important strategic location.

By denying these nations the arms they require for their defense, some people believe we are slowing or halting the arms buildup in this part of the world. Nothing could be further from the truth. Other countries, allies and adversaries alike, stand ready to fill the void we are creating.

Yet our friends in the area still tell me time and time again that they would prefer to do business with the United States. The Central Command security assistance chief in one country recently told me that one of his European counterparts expressed it this way: "Because of its security assistance practices, the United States is Britain's best marketeer."

Another told him that, if the United States continues to do business the way we have in the past, he will be provided all the free French wine that he can drink.

And I must quickly add that the Soviets never fail to try and step_ in anywhere our security assistance practices create a vacuum. Interestingly, the Soviets' recently announced intention to reduce their force levels in Western Europe, while certainly welcome news, may have some unwelcome repercussions in the CENTCOM area of responsibility. Arms and materiel withdrawn by the Soviets from Europe will in all probability be available for sale to the Middle East buyers at bargain prices.

In short, the erosion of U.S. programs has actually escalated the probability of increased arms acquisitions. This is particularly true in the case of cash sales area of security assistance, where over $43 billion in known sales have been lost by the United States in the last 4 years.

PRESENCE

The second pillar of the Command's peacetime strategy is presence. The Joint Task Force Middle East is the most visible portion of our presence in the area, and this task force sends a clear message to friends and potential adversaries alike that we are committed to and capable of meeting our obligations in that part of the world.

That message was loud and clear when last year we committed 16,000 service members and 24 major combatants to protect gulf shipping.

And I also want to emphasize that our security assistance teams in moderate CENTCOM nations provide us the presence that is critical in developing relationships [deleted].

COMBINED EXERCISES

The third pillar of our peacetime strategy is a well-developed program of frequent combined exercises, which bolster mutual confidence in our ability to execute [deleted] defense. Our operational successes have provided new opportunities to gain access through our exercise program, and I ask your continued support of the funding that will make these training initiatives possible.

By demonstrating our resolve, the foregoing peacetime strategy should preclude the need for the Command to execute its wartime strategy. Nonetheless, the Command must be prepared to fight, and we are, if we can get there and if we have access to the vital facilities when we get there.

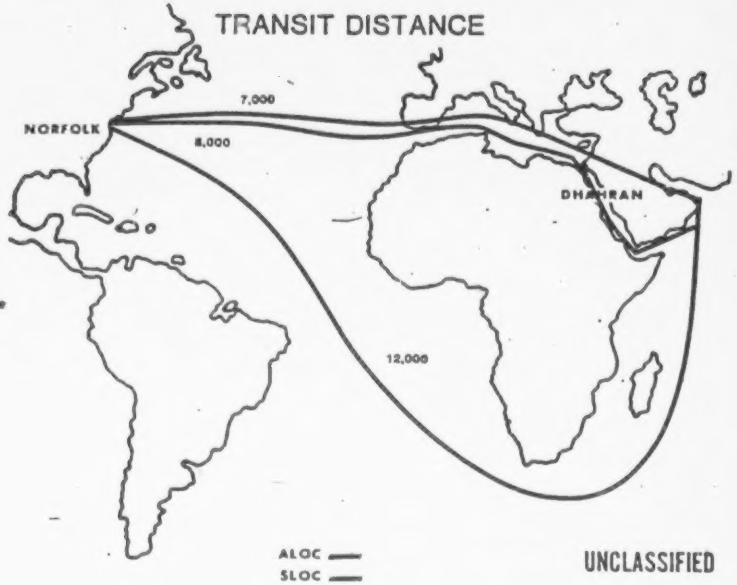


Chart 6

The President's budget supports our war-fighting needs, and let me very briefly point out some of the most significant requirements for Central Command. First is airlift and sealift capability. As you can see on chart 6, Central Command's area of responsibility is 7,000 miles by air from the United States and up to 12,000 miles by sea. Moreover, the Command, as you stated, has no ground forces permanently assigned to the area.

Thus, in a crisis our ability to move forces to the region quickly depends upon adequate lift capability. I encourage the committee to support the C–17 program, and I also encourage support for any program that will improve the Command's ability to get special operations forces in and out of rear areas.

Other programs, such as the expansion of the Ready Reserve force, the Container Ship Modification Program, and the Fast Sealift Capability Program, such as the SL–7, are also important to us and merit your support.

A second critical resource is prepositioning of materiel in friendly countries in the region. To support fast deployments, the Command depends upon prepositioned war-related materiel, including fuel, ammunition, medical supplies, food, vehicles, communications equipment, and bare-base kits.

Past congressional support has been key in improving the Command's posture in prepositioning, and I ask that your support continue. An effective plan for prepositioning cannot be accomplished without adequate infrastructure at the site, and that is why a third resource area, military construction, is necessary.

Military construction provides the aircraft runways, taxiways, parking aprons, the warehouses, fuel facilities, and security systems that make prepositioning possible. Thanks to strong congressional support in recent years, Central Command has made good progress on several military construction projects. Continued support in 1990–91 for military projects is essential.

I could go into many other critical programs with high priority, such as readiness, sustainability, command and control, communications, intelligence, and even the newly structured antisatellite program. All play a key role in our ability to successfully execute wartime missions in the area of responsibility, and again, with your assistance, we have been able to move forward.

I ask your continued support for the service programs which are integral to our war-fighting capability.

Mr. Chairman and members of the subcommittee, in the last year and a half the United States has achieved significant success in Central Command's area of responsibility, and this has restored American credibility in the eyes of our friends in the region. Both our peacetime and wartime strategies depend on preserving this hard-won credibility by showing our friends that our commitment to their security is honest and enduring.

I am convinced that for only modest increases in our comparatively inexpensive security assistance programs, with a loosening of overly restrictive arms sales policies, we can ensure the preservation of our strategic interests in the area. To do otherwise risks losing what we have gained at a high cost of American blood and treasure.

With your support, sir, I can assure you that the Central Command will be able to accomplish its mission.

Thank you for your attention, and I will be happy to respond to any questions at this time.

[The statement follows:]

STATEMENT OF GEN. H. NORMAN SCHWARZKOPF, COMMANDER IN CHIEF U.S. CENTRAL COMMAND

Mr Chairman, members of the Defense Subcommittee. I appreciate the opportunity to appear before you today to testify for the first time as Commander in Chief, United States Central Command.

EXECUTIVE SUMMARY

In the short time I have commanded the United States Central Command, these facts have become clear to me:

- -- The region for which I am responsible is vital to our nation's security.
- -- The Soviet threat to the region is increasing, and the Soviets are making gains at our expense.
- -- U.S. political and military actions in the region over the last year and a half have restored our regional friends' confidence in our commitment to their security.
- -- This revival of our friends' confidence in us offers an opportunity to neutralize and eventually reverse Soviet gains in the region.
- -- Our challenge is to capitalize on this opportunity by showing our friends in the region that our commitment is durable and serious.
- -- The time to do this is now.

The United States Central Command's Area of Responsibility (AOR) resounds with the echoes of the earliest endeavors of mankind. Recorded history began in this region, with the civilizations of Mesopotamia and the Nile and Indus valleys. Across the centuries, the area has been a crossroads for trade, a target of conquest, and a locus of conflict. Judaism, Christianity, and Islam have their roots here.

Today, the region is vital to United States security. The economies of the United States and its allies depend on Persian Gulf oil. By the year 2000, United States domestic oil production is projected to decline by as much as 20 per cent, increasing our dependence on the region's petroleum resources.

The area also sits astride the major maritime trade routes which link the Middle East, Europe, South and East Asia, and the Western Hemisphere. Ships plying these routes, and transiting the maritime choke points of the Strait of Hormuz, the Suez Canal, and the Bab el Mandeb at the southern end of the Red Sea, carry the petroleum products that propel the economies of our European and Asian allies, and the myriad other commodities that fuel world trade.

For the past decade and more, the United States has had to respond to disruptive events in this region, events which were often beyond our control, but which nonetheless proved critical to our vital interests. We remember the fall of the Shah, the Tehran hostage ordeal, the Soviet invasion of Afghanistan, the assassination of Anwar Sadat, the turmoil of the war on gulf shipping, the accidental attack on the USS Stark. These events took place in a context of regional instability, marked by religious dissension, territorial disputes, insurrections, and adventurism by Libya and other radical states. This environment of turmoil has provided fertile ground for the expansion of Soviet influence.

The Soviets, like the Russian czars before them, have a keen interest in this area. They are attracted by the region's oil and by the warm water ports of the Persian Gulf and the Indian Ocean. The Soviet threat to the region exists on two levels. Although a direct Soviet attack into the area is unlikely, the Soviets continue to maintain and modernize combat-ready forces in the southern USSR opposite Iran. Much more worrisome is the Soviet penchant for exploiting regional conflict, as they have already done in Afghanistan and Ethiopia, and for exploiting our friends' doubts about the United States commitment to them. The Soviets are steadily increasing their presence and gaining influence in the region by providing any willing recipient state with not only political support, but also arms, equipment, military training and technical advice. In far too many instances, the United States has proved a reluctant suitor in responding to needs and requests of our friends in the region; and in far too many instances, the Soviets were on the spot, ready to step forward in our place.

It is to this latter threat that we must respond if we are to maintain our position in the region.

We have made a good start on that effort. Operation EARNEST WILL -- our naval escort of United States-flagged merchant ships in the Gulf -- showed that United States military presence can promote stability. But more importantly, our actions in the Gulf, including our measured responses to Iranian provocations, showed our friends in the region that the United States sticks to its commitments, and is ready and able to wield military might to underscore those commitments. Our steadfastness destroyed the contention of skeptics in the region and elsewhere that we would cut and run at the first sign of danger.

We must press this advantage if we are not to squander the benefit earned by EARNEST WILL. We must maintain a naval presence in the region, at a level consistent with the threat. We must maintain communication with military and political leaders in the region. We must take their security concerns seriously, and consider them on their own merits, in an even-handed manner and without prejudice. We must be ready to respond positively to legitimate requests for arms sales, security assistance, joint exercise training, and humanitarian and civic assistance. If we fail to respond, there are, as I have noted, others who will step into our place. At present, our stock is high. Now is the time to capitalize on our success.

We can do this only if we have adequate resources. Although we do not seek, nor indeed do we foresee, a major military confrontation in the region, we must nonetheless be prepared to fight if necessary. This means keeping forces apportioned to United States Central Command in a high state of readiness, and providing them, through the Services, with sufficient capacity for air and sealift to the region in a crisis. Once the forces are in the field, we must be able to sustain them through reliable resupply. This in turn depends on current construction of military storage facilities and pre-positioning of equipment and supplies in the region. Finally, the success of any crisis deployment hinges on the existence of a reliable command and control system, and of a flexible, reliable system for gathering, analyzing and disseminating strategic and tactical intelligence.

Our peacetime resource requirements are just as critical to our goal of reinforcing our regional friends' confidence in us. To avoid sending the wrong signal, we must maintain a prudent naval presence in the region. We must continue our program of joint military exercises in the region. And we must be willing to fund security assistance for our friends, not only to maintain their confidence in us, but also to maintain access to facilities that could prove crucial in times of crisis.

Over the course of the last year and a half of Persian Gulf operations, Central Command has matured into a truly unified joint-service command, ready to respond in a crisis, and capable of providing to the National Command Authority a wide array of military options for the achievement of political goals. The key to joint-service success is service interoperability, and this quality cannot better be demonstrated than by the superb performance of the Joint Task Force Middle East. The JTFME Commander orchestrated operations escorting, to date, over 270 tankers in Operation EARNEST

WILL which involved Navy surface combatants, Air Force AWACS and other aircraft, carrier air forces, and Mobile Sea Bases carrying helicopters and personnel from the Navy, the Army, and the Marines.

The effectiveness of joint-service operations was clearly shown during Operation PRAYING MANTIS on 18 April 1988, when in a measured response to Iranian provocations, Central Command forces destroyed two Iranian oil platforms and sank or disabled four Iranian surface combatants. The operation was the largest United States' naval engagement since World War II, and was conducted with great professionalism.

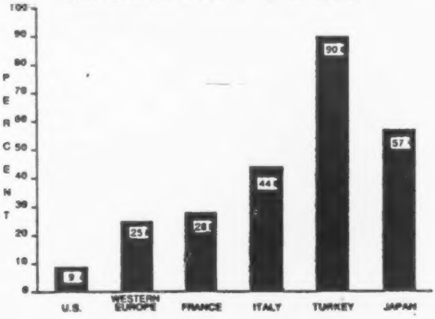
The superb performance of Central Command forces is a direct result of Congressional support. Central Command is aware of current fiscal realities. At the same time, I believe that the resources we are requesting are both adequate and necessary for the Command to accomplish its mission.

The experiences of 1988 have verified our capability and resolve. I assure you that the United States Central Command is ready to deal with any threat to U.S. interests in the region. We need your continued support if we are to be able to do so.

STRATEGIC IMPORTANCE OF THE AREA OF RESPONSIBILITY

The Central Command's Area of Responsibility includes 19 countries of diverse political, economic, cultural and geographic make-up. Europe, Asia and Africa join here to form a unique and complex region in which history is key to understanding its nature and importance. As a continental crossroads, the area has been traversed and fought over by armies of the world for centuries. Three of the world's major religions have their roots here; Christianity, Judaism and Islam. Through the centuries, Islam has emerged as the main unifying cultural, if not political, force in the region. Seeds sown in centuries past have given rise to the regional and internal conflicts of the present: the Iran-Iraq war, the enmity between the Yemens, the Ethiopian-Somali disputes, the civil insurrections in Ethiopia and Sudan, and the border disputes of the Arabian peninsula. With this continental and cultural diversity, the region's history is also filled with tribal, regional, and national conflicts. Today, this blend of cultures and ideologies continues to make the region volatile and unpredictable. For example, two years ago few would have predicted a United States and PLO dialogue or the election of a woman to head an Islamic government.

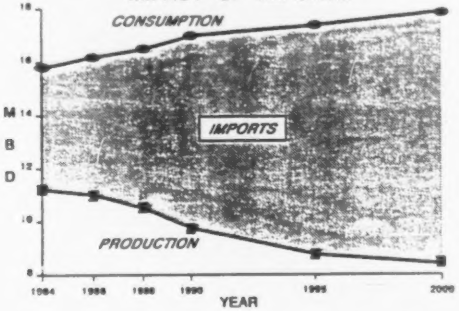
In the center of this region are over 70% of the free world's oil reserves - oil which fuels the West's industries and economies. During 1988 alone, over 12 million barrels of Gulf oil were exported daily; either directly from the Persian Gulf or through the expanding trans-Arabian pipeline to Yanbu on the Red Sea. Many of



PERCENT OF NATIONAL REQUIREMENTS IMPORTED FROM THE GULF

America's European and Asian allies rely on Gulf oil to satisfy a significant portion of their national requirements. Total United States imports from all world sources now account for roughly 40% of total consumption, up 5% from last year, and one of every five barrels of this imported oil comes from the Gulf region. At the same time, United States reliance on Gulf oil appears destined to grow. Estimates indicate that our domestic production capability could decline as much as 20% by the end of the century, causing an even greater reliance on this region's oil reserves. Other estimates indicate U.S. domestic supplies of oil could be depleted within the next 20 to 40 years while the Persian Gulf region will still have at least 100 years of known oil reserves, with many promising oil producing areas remaining unexplored.

U.S. OIL CONSUMPTION VS IMPORTS
IMPACT OF IMPORTS

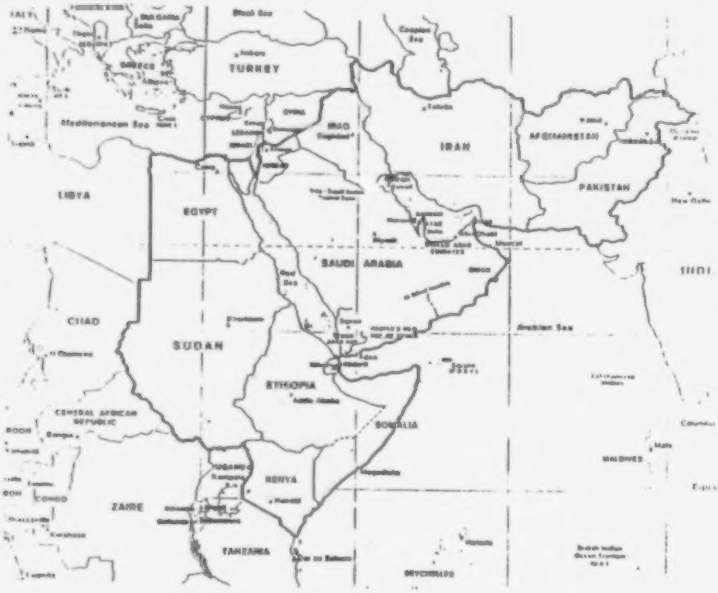


Beyond the oil itself, the region contains the strategic waterways which facilitate the flow of world commerce vital to the survival of many nations. The Strait of Hormuz provides the only maritime access to Gulf oil fields and associated transshipment facilities. The Red Sea, with the Suez Canal at the north and the Bab el Mandeb in the south, is one of the most vital strategic sea lines of communication in the world. It forms the vital water link between our European and Pacific friends and allies. The Suez Canal alone handles over 21,000 vessels annually, 33% more than the Panama Canal. For its part, the Bab el Mandeb is no less vital as a strategic choke point than the Suez Canal: If canal traffic were for any reason obstructed, all oil shipments from the Saudi Red Sea terminal at Yanbu, capable of handling a total of 60% of Saudi and 40% of Iraqi exports by the mid-1990's, could reach their worldwide destinations only after moving through the Bab. In time of peace, the waterways are important. In time of conflict, they are critical as they provide the strategic lifeline essential to the timely deployment and sustainment of free world forces. The only alternative to the Suez and Bab el Mandeb line of communication is to transit the southern tip of the African continent, increasing deployment and logistic flow time by almost 30%. Protection of these choke points depends upon United States friendship and cooperation with the countries in the region and access to nearby ports and airfields.

While the importance of the region is vital to the interests of its inhabitants, the United States and other free world nations, it is also of strategic importance to the Soviet Union. The Soviets have long coveted the warm water ports and vast petroleum resources in the area. Additionally, in the near future the Soviet Union is expected to become a net importer of oil. A more detailed assessment of the Soviet threat and current activities follows later in this statement.

REGIONAL UPDATE

As the events of the past year have proven, the Central Command Area of Responsibility is a highly volatile, unpredictable, and rapidly changing Region. For reference, a map of the region is provided.


Black Sea
Caspian Sea
TURKEY
GREECE
Mediterranean Sea
SYRIA
IRAQ
IRAN
AFGHANISTAN
PAKISTAN
LIBYA
EGYPT
SAUDI ARABIA
Red Sea
Arabian Sea
CHAD
SUDAN
ETHIOPIA
SOMALIA
CENTRAL AFRICAN REPUBLIC
KENYA
ZAIRE
CONGO
TANZANIA
MALDIVES
SEYCHELLES
INDI

India-Pakistan-Afghanistan Sub-region

The Indo-Pakistan relationship has been marked by dispute and conflict from the moment of Partition in 1947. Both nations now enjoy a new generation of democratically elected leadership. The leaders have just signed three agreements. Many hope that this signals the beginning of an era of improvement in relations, but it would be unrealistic to expect an immediate shift of position by either side. Yet, it is critical to United States interests that these neighbor states live in peace and cooperation with one another.

Though not in Central Command's Area of Responsibility, India is perhaps the preeminent South Asian nation. New Delhi is already among the most influential of the third world capitals. Although India has close military and economic ties with the Soviet Union, it is beginning to build the basis for more cooperative relations with the United States, especially in the field of technology transfer.

The Pakistanis remain concerned over the motives and intentions of their Indian neighbors and focus a great deal of defense preparedness in this direction. Nonetheless, the Pakistanis resisted the Soviet invasion of Afghanistan even before the United States became involved. After Soviet withdrawal, the resettlement of an Afghan refugee population of 3 million people concentrated in Pakistan and along its border with Afghanistan will remain a major concern. Even with this burden Pakistan has supported the Afghan Mujahedin's efforts throughout the war and can be expected to have close relations with a new Afghan government.

Pakistan

Pakistan is a key partner with the United States and also enjoys good relations with other Islamic states in the area. It may begin to play a more significant role in encouraging regional stability. Its forces are large and among the best trained in the area. A top priority for their military is to upgrade inadequate and obsolete equipment.

Our own strong relationship with Pakistan has been fostered by our substantial military and economic assistance program, the second largest in the Area of Responsibility, and by the sale of weapons systems to satisfy defense requirements. Military to military cooperation and consultation between Pakistan and the United States has been enhanced through the United States/Pakistan Consultative Group Meetings in which United States Central Command is a principal participant. Assistance to Pakistan supports our goal of improving Indo-Pakistan relations, encouraging Pakistan's efforts to suppress narcotics activities, and promoting Pakistan's conventional self-defense capabilities.

Afghanistan

As Soviet military forces withdraw, they leave behind an Afghan economy that is severely damaged and a regime that is facing increasingly effective opposition from the Mujahedin. It is clearly in the United States interest to have stability in the region and encourage the return of the large refugee population now living across the borders in Pakistan and Iran. We are already working toward these goals by assisting the UN with training of Afghan refugees to detect and dispose of the millions of mines which the Soviets are leaving behind. Both bilateral and multilateral participation by the United States in rebuilding the economy will also help achieve stability.

Iran-Iraq Sub-region

The United Nations-sponsored Iran-Iraq cease-fire is still holding, but this "no war, no peace" stalemate continues to perpetuate regional concerns. While it may appear that peace is truly at hand, this end of the fighting does not guarantee stability in the Gulf Region. Efforts on both sides to rearm with conventional weaponry, long range missiles, and new stockpiles of chemical weapons are an unwelcome omen. The end of the fighting left Iraq as a premier regional military power. Projected Iraqi procurement of large quantities of state of the art weaponry into the next century will further increase its military advantage over Iran as well as other states in the region. The Iran-Iraq war also set dangerous precedents in the region by the widespread use of medium range missiles and chemical weapons. The prospects for the return to normalcy are better this year than at anytime in the past eight. However, the Iran-Iraq situation still threatens to destabilize the region into the 1990s. The United States must maintain a balanced approach toward Iran and Iraq to encourage peace in the Region.

Iran

Iran continues to be a key concern in the Region, due to its location as a buffer to the Soviet Union, its oil wealth, and its large population. In the aftermath of its war with Iraq, Iran still poses a major threat to the Gulf Cooperation Council states. Iran will attempt to rebuild its military and economy to balance what it perceives to be the primary threat - Iraqi supremacy in the Gulf area. The threat of another war with Iraq is always a possibility.

Iran's rift with the West and the end of the conflict have created opportunities for growing military assistance by Asian Communist states, and may allow an increasing Soviet role in the

Iranian economy. Although Iran will remain fearful of foreign domination, the USSR is in a good position to improve relations and increase influence on Iran. There are signs that their relations are already improving.

The country's future directions are clouded by an intensifying leadership struggle to succeed Khomeini. A "pragmatist" faction seems to have the best chance of ruling after Khomeini, but some authority will remain in the hands of powerful radicals opposed to rapprochement with the West. However, Iran's inherent importance and its need to offset Soviet power on its northern border may eventually lead to the restoration of United States-Iran relations, but perhaps not until well after Khomeini is gone. For the next several years, the United States should patiently exert a moderating and counterbalancing influence to Soviet expansionism in Iran. Additionally, the United States must assist friendly states to counter Iranian influence in the region.

Iraq

Iraq poses a potential military threat to the weaker and more conservative Gulf Cooperation Council states, despite their extensive support for Iraq against Iran. Iraq's persistent claims to strategic portions of northeastern Kuwait could be a problem in the future. Iraq is expected to continue arms imports at the rate of one billion dollars per year from the Soviet Union while increasing military procurements from West European and third world sources. Developing indigenous arms industries will play a significant role in the 1990's, particularly in developing weapons of mass destruction and the medium-range ballistic missiles to deliver them.

Despite its present external debt of nearly $80 billion, Iraq's aspirations to great power status are supported by its vast oil reserves. By the early 1990's, Iraq could be second only to Saudi Arabia in terms of proven oil reserves (over 100 billion barrels), and oil export capacity (about four million barrels per day). As is the case with Iran, the United States must seek to assert a moderating influence in Iraq.

Arabian/Persian Gulf

The reduction of threats against United States interests in the Persian Gulf allows us to modify force levels in the region. However, it is important that we avoid a precipitous drawdown of United States military forces that would send the wrong signal as regards the United States commitment to sustaining peace in the region. The key to drawing down forces is close coordination between the Department of State, Department of Defense, and the Congress, as well as our traditional allies and regional friends. The United States must not lessen interest in the region nor permit that perception to develop. We have earned immense respect and received much cooperation from the Gulf Cooperation Council (GCC) States. Their support during our protection mission was and remains essential to success. Each state has made discreet and valuable contributions. For the future, we are encouraged that moderate nations of the Gulf Cooperation Council will continue to act as a stabilizing influence as they work together towards improving regional defensive capabilities.

Kuwait

Kuwait is well known for its role in the world's petroleum market. Its substantial financial assets give it a world-wide importance that far exceeds its size. However, it is militarily and geographically vulnerable and the uncertainty of a lasting Iran-Iraq cease-fire will continue to threaten Kuwait's security. As a direct result of the United States reflagging of Kuwaiti ships and the Persian Gulf escort operations, we enjoy increased military-to-military cooperation. Central Command strongly endorses continued United States security assistance to promote Kuwait's ability to defend itself, participate in regional defense arrangements with other Gulf Cooperation Council states, and maintain previously delivered United States military equipment.

Bahrain

Bahrain is a long-term friend of the United States and shares United States goals for regional peace and stability. Bahrain is an important contributor to Gulf Cooperation Council regional defense. Its continued friendship and cooperation with the United States has been well evidenced by its crucial assistance to our Joint Task Force Middle East (JTFME). The leased facilities we have in Bahrain are critical to maintaining operations throughout the Gulf. Purchases of United States military equipment by Bahrain help it accomplish its regional defense responsibility. Our security assistance program is an important factor in Bahrain's ability to continue to assist in regional defense efforts. In this regard, elimination of the Stinger buy-back provision would be among the most significant steps we could take to bolster this process and reaffirm our close ties with this trusted partner.

Qatar

Qatar is an important oil and natural gas producer in the region. Its continued security is a significant concern to the other oil-exporting states and the west. Its location at the center of the Persian Gulf region is important to the free passage of petroleum resources. Seeking to improve its capabilities as a Gulf Cooperation Council member, Qatar is endeavoring to develop a modest military deterrent by purchasing state-of-the-art defensive weapons systems from France and Italy. The current Stinger controversy has interrupted United States-Qatar bilateral relations and the training of Qatar's military. Once this issue is resolved, we look forward to resuming our previous military assistance relationship to help Qatar achieve improved self-defense capabilities.

United Arab Emirates (UAE)

The UAE's strategic location bordering the Strait of Hormuz, its oil wealth, its generous foreign assistance program, as well as its efforts to mediate in regional conflicts, give it more influence than the size of the federation would suggest. One of its security challenges is to defend the long UAE coastline and numerous islands. Following Iranian ship attacks adjacent to the UAE and Tehran's August 1987 mining of the waters off Khor Fakkan, the UAE supported increased western presence aimed at enhancing freedom of navigation and safe passage through international waters. United States security assistance sales are designed to improve air defense and early warning capabilities to counter threats to UAE security.

Oman

Oman's strategic location commanding the southern flank of the Strait of Hormuz makes it vital to regional stability and to the flow of oil resources from the Persian Gulf. Oman has proven to be a staunch friend of the United States. The Sultan of Oman was the only Arab leader to publicly support the Camp David Accords, and Oman was quietly supportive of our activities in the Persian Gulf during the Iran-Iraq war. Oman is an important factor in United States Central Command's strategy in the area. However, recent budget shortfalls resulting from declining oil revenues have caused Oman to cut back on expenditures and force modernization. Central Command's ability to respond to contingencies in the area depends on continued cooperation between the United States and Oman.

Saudi Arabia

The largest Gulf Cooperation Council member is Saudi Arabia. Its preeminence within the Arab world in terms of its resources, geostrategic location, moderate western oriented leadership, and religious and political influence among Arab states, makes it a key to stability on the Arabian Peninsula. Saudi Arabia extends significant financial assistance to moderate governments, even in the wake of depressed oil revenues, and engages in diplomatic efforts to resolve regional conflicts. As a result of its holding the world's largest known oil reserves, Saudi Arabia is a prominent player in the international economic structure and a focal point of

United States cooperative interests in the region. Its cooperation was indispensable to the enormous success of the measured United States actions in the Persian Gulf. However, continued unwillingness to approve Saudi arm sales requests is having lasting consequences. The traditional position the United States military enjoys with Saudi Arabia is beginning to be assumed by others. The United Kingdom will soon replace the United States as the primary aircraft supplier. As a result, the United States has lost tens of billions of dollars in exports as well as associated domestic jobs. United States military influence over the amount, type, and use of weaponry in the region is further reduced. Ultimately, if United States support of Saudi Arabia continues to diminish, the entire region will question the United States commitment and its reliability as a dependable security partner.

Jordan

The United States has long enjoyed a dependable and cooperative friendship with Jordan, one of the most moderating influences in the Middle East. Jordan's unwavering pursuit of negotiated peace makes it an indispensable component of regional stability. Jordan can assist in defusing intra-Arab frictions and play a prominent role in searching for solutions to the Arab-Israeli confrontation and the Palestinian issue. At the same time, Jordan clearly demonstrates its willingness to buttress regional security by providing training to moderate Arab nations and exercising with United States forces. Confronted with an austere economic future, Jordan finds satisfaction of its security needs increasingly difficult. Traditionally, Jordan has turned to the West, and especially to the United States, as its prime military supplier. In spite of the enhanced military-to- military relationship stemming from the annual United States- Jordanian Joint Military Commission meetings, the United States is losing crucial opportunities to sustain and bolster this invaluable relationship. As security assistance levels are allowed to decline, and arms sales requests are denied, Jordan will undoubtedly be forced to turn to other sources for its defensive military requirements.

People's Democratic Republic of Yemen (PDRY)

Marxist PDRY occupies a strategic location on the Arabian Peninsula at the Bab el Mandeb. Firmly in the Soviet camp, its current ideology, defense arrangements and military capabilities pose a potential threat to Saudi Arabia, Oman, and Yemen Arab Republic. The large Soviet and Cuban in-country presence makes PDRY, in effect, a site for Soviet forward deployment in this strategic area. From this position, the Soviets can quickly posture forces to control or close the vital Bab el Mandeb. The United States does not have diplomatic relations with PDRY at present. The United States should encourage low-key efforts by friendly states aimed at encouraging more normalized relations between PDRY and its neighbors.

Yemen Arab Republic (YAR)

The Yemen Arab Republic (YAR) is a strategically important country that lies at the southern exit of the Red Sea and adjacent to the Marxist People's Democratic Republic of Yemen (PDRY). YAR is now exporting increasing quantities of its newly-discovered oil, thus improving its economic standing. The Soviet Union has established a significant presence in the YAR through its liberal credit terms, sale of military equipment, and generous training programs. The current modest United States security assistance levels cannot challenge the Soviet position, and the funding to support even the existing programs is threatened. Despite this, YAR leadership continues to express a desire to further improve relations with the United States. Increased security assistance is necessary to provide the means to offset Soviet pressures and could help the YAR Government to seek alternatives to reliance on the Soviet Union.

Somalia

Somalia and Djibouti are the only non-Soviet influenced states on the littoral of the approaches to the strategic Bab el Mandeb - back door to the Suez Canal and choke point for oil moving from the Saudi Red Sea port of Yanbu. Access to facilities in Somalia remains a pivotal factor in Central Command regional strategy and planning; its importance is heightened by the growing Soviet regional military capability. Ethiopia's better equipped and numerically superior armed forces remain a potential threat to Somalia. During these difficult times, the United States continues to encourage the Somali government to seek a political settlement to its ongoing civil conflict, to respond effectively to human rights concerns, and to implement needed economic reforms. Somalia's strategic location and importance to United States security interests require it to be given immediate attention. It is essential that we continue to support Somalia in order to ensure its territorial integrity and continued United States access to critical facilities there.

Ethiopia

Ethiopia, strategically located on the southern reaches of the Red Sea and overwatching the Bab el Mandeb, enjoyed a strong relationship with the United States prior to the 1974 military coup. In a twist of events, the Soviet Union supplanted the United States as the main military assistance partner to Ethiopia. Massive Soviet military aid coupled with several thousand Cuban troops and Soviet advisors enabled Ethiopia to repel the Somali invasion of 1977. Since then, internal civil conflicts with Eritrean separatists in the north and Tigrean rebels in the north-central part of the country have escalated. Despite some 6 billion dollars in Soviet aid and the largest army in sub-Saharan Africa, the government has been unable to defeat the insurgents. The war has ravaged an economy already devastated by drought and the usual failures associated with Marxist economic practices. There are indications, however, that Ethiopia is tempering its views on relations with the Soviets, solutions to internal problems, and relations with the United States. Should the Ethiopians offer openings that could defuse regional tensions and which are acceptable to the United States Government, Central Command is ready to play the appropriate role in helping to rebuild a bilateral relationship.

Djibouti

Though small in geographic size, Djibouti is an important country in the Horn of Africa. Its strategic location at the Bab el Mandeb, its pro-western orientation and support, its continuing cooperation with United States naval forces, and the presence there of French warships and aircraft have made it a valued friend. This friendship and cooperation was greatly in evidence during our recent Persian Gulf operations as Djibouti allowed increased ship visits. Currently, the government is facing the dual problems of an ailing economy and the difficulties imposed by its location wedged between two powerful neighbors. Increased levels of United States security assistance to this friendly country are clearly in our interest.

Kenya

Kenya is a key friend of the United States and plays an important role in our security strategy in the Horn of Africa. The United States has maintained a long, close relationship with Kenya, manifested by important economic ties and military agreements. Kenya grants United States military access to airfields, ports and storage facilities, as well as provides fuel, repair and resupply services to United States ships and aircraft. Mombasa serves as the only major port of call for the United States Navy on the east coast of Africa. In the midst of a growing economic crisis, faced with a burgeoning population and a concomitant reduction in revenues, Kenya is finding it increasingly difficult to make payments to international creditors. Although facing no major external threat, Kenya continues to contend with incidents originating from cross-border migrations and bandits. It places great importance on United States security assistance. The continuation of security assistance funding will help maintain the close relationship with this good friend.

Sudan

The largest country in Africa, and bordering eight countries and the Red Sea, Sudan has the potential to control the headwaters of the Nile, thus affecting the economic lifeblood of Egypt. Politically, a pro-Egypt/pro-West, or even a neutral Sudan acts as a buffer between the pro-Soviet countries of Libya and Ethiopia, thereby preventing the isolation of Egypt from the rest of Africa by a crescent of hostile states on its western and southern flanks. However, since independence in 1956, Sudan has been beset by periodic civil strife and bouts of political and economic instability. A seventeen year civil war between the Arab north and African south was settled in 1972, only to break out anew in 1983. The current democratically elected government is a troubled coalition that has been unable to prevent the country's slide into virtual economic bankruptcy or to end the debilitating civil war in the south. A settlement to the war does not seem close, and widespread famine and suffering induced by the war and exacerbated by drought and floods have devastated the population. Unfortunately, massive infusions of United States and other Western relief aid have not been able to turn the corner on this situation. The enormous drain of the war on the economy and internal government problems have generated a potentially explosive political situation. On the positive side, however, has been the strong relationship Central Command has enjoyed with the Sudanese military. Although our security assistance, in terms of dollars, has shrunk to nothing, we have managed to maintain this relationship through extraordinary effort. We are fully aware of the political sensitivity of increasing military assistance to Sudan at this juncture, but we must balance these concerns with the need to assist our friends in Sudan in order to enable them to support the mutual quest for peace and regional stability.

Egypt

Egypt's commitment to peace and stability in the Middle East continues to make this strategically located nation one of America's most important regional partners for peace. Egypt is the owner, operator and protector of the critical Suez Canal passageway and also presents a credible deterrent to further Libyan adventurism. Cairo has historically been one of the key centers of influence in the Arab world, and Egypt's diplomatic reemergence assures that it will remain a powerful voice for peace in the region.

Nonetheless, Egypt faces challenges across a broad front. Population expansion, the need for stringent economic reforms and the ever present threat from Libya and other radical Arab terrorists mean Egypt is looking more and more to the United States for help. Our security assistance efforts are a vital component of this relationship, as are the annual United States/Egypt Military Coordinating Committee meetings. Egypt tries very hard to support United States interests in the Middle East. Often, however, they display a solidarity with other Arab states in criticizing United States direct action. Unfortunately, this fosters among some the belief that Egypt is a fickle ally, when, in fact, it remains a most important partner with the United States in promoting regional peace and stability.

Libya

Although Libya is not within Central Command's Area of Responsibility, Libya and its activities in northeast Africa have a direct bearing on our friends in this crucial region. Libyan aggression in Chad has spilled over into Sudan, creating conditions for political unrest in western Sudan. Libyan attempts to influence the Khartoum government are viewed by both the United States and

Egyptian governments as attempts to destabilize Sudan and bring it into Libya's orbit. In addition, Libya constitutes a direct terrorist and military threat to Egypt; a threat the Egyptians take seriously. Libya's possession of modern offensive weaponry, including the emerging capability to manufacture chemical weapons, and Qadhafi's unpredictable and frequently erratic behavior, give credence to Egyptian concerns. Our assistance efforts in Egypt and our positive contacts with the Sudanese military serve to bolster the capabilities of these two countries to resist and counter Libyan regional destabilization activities.

THREAT

The Soviet threat to the region exists on two levels. First, outright Soviet invasion of the region is unlikely but possible. Second and more worrisome are the Soviets' recent successes in cultivating influence not only with their client states, but also with states which the United States considers its friends.

Outright Soviet Invasion

Soviet force levels in the three southern Soviet military districts opposite the Central Command Area of Responsibility are sufficient to mount an invasion of Iran. Weapons, equipment, and command-and-control systems in these districts are gradually being upgraded. Tactical air assets have been expanded and modernized. More significantly, their composition reflects a change of mission from air defense to forward tactical air support of ground commanders. Many units in these military districts have commanders and troops with combat experience in Afghanistan. Taken together, these factors indicate that a Soviet attack southward into the Central Command Area of Responsibility, while unlikely for a variety of reasons, remains militarily feasible.

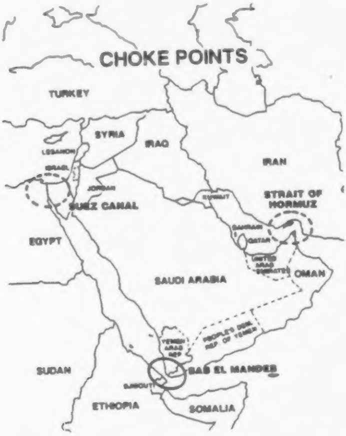
Increasing Soviet Influence

A more insidious Soviet threat exists on another level. In recent years, the Soviets have increased their influence in the region, in both their own client states and in states otherwise not identified as Soviet-aligned, by means of subtle diplomacy, a low-key naval presence in regional waters, and a massive and effective program of military sales and assistance.

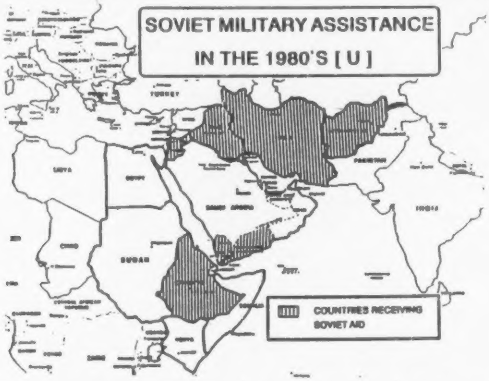
The Soviet decision to pull out of Afghanistan has removed an obstacle to Soviet relations with the Muslim world, and with the Arabs in particular. Despite a residual reluctance to deal with atheistic communists, even conservative states such as Oman, UAE, and Qatar have recently established diplomatic relations with Moscow. Saudi Arabia and Bahrain are still holdouts, but have given indications that this may change soon. Through patient, persistent diplomacy, the Soviets have engineered incremental improvements in relations with regional states. They have opened more consulates, increased trade, and gained agreement for more aircraft and ship visits to regional states.

The Soviet naval presence in the Persian Gulf and the Gulf of Oman has not decreased since the Gulf War cease-fire. Soviet naval assets include 6 to 8 combatants, among them 3 to 4 minesweepers; the flag ship of the Soviet Indian Ocean Squadron; and auxiliary support ships sea based in the Gulf of Oman. Their escort of Soviet-flagged, Kuwaiti-leased tankers and merchant ships has increased Soviet influence with Kuwait, and could result in what appears to be a permanent Soviet presence in the Persian Gulf.

Disturbing as this is, it is the Soviet presence around the Bab el Mandeb, the strait connecting the Red Sea and the Indian Ocean, that perhaps augurs more ominously for the interests of the United States and its friends. The Soviets' naval base on Ethiopia's Dehalak Island, just north of the Bab, gives them a position of strong influence over all maritime traffic, commercial or military, transiting the Red Sea. The Soviets' position astride the principal sea lane linking Europe and the Atlantic to the Persian Gulf and East Asia is reinforced by their established presence on the Ethiopian mainland and in South Yemen (PDRY). Moreover, the Soviets have in recent years also gained limited but growing access to North Yemen (YAR), which like Ethiopia and PDRY lies adjacent to the Bab (see map). In times of sudden crisis, Soviet control of the strait would be virtually uncontested.


CHOKE POINTS
TURKEY
SYRIA
IRAQ
IRAN
LEBANON
ISRAEL
JORDAN
SUEZ CANAL
KUWAIT
STRAIT OF HORMUZ
BAHRAIN
QATAR
UNITED ARAB EMIRATES
OMAN
EGYPT
SAUDI ARABIA
PEOPLE'S DEM. REP OF YEMEN
YEMEN ARAB REP
SUDAN
BAB EL MANDEB
DJIBOUTI
ETHIOPIA
SOMALIA

Perhaps the most important element supporting the steady expansion of Soviet influence in the region is their readiness to sell and quickly deliver arms to virtually any buyer. In eight of the 19 countries in the area (see chart), Soviet security assistance has been increasing markedly. Iraq continues to rank first among non-aligned countries worldwide in purchase of Soviet arms. In 1988, Afghanistan received a record-high $2 billion in Soviet security assistance. In the last five years, countries in the Central Command's Area of Responsibility received approximately $30 billion in Soviet security assistance -- over $8 billion in 1988 alone. Moreover, higher levels of Soviet arms sales mean increased presence of Soviet technicians and advisors in purchasing countries.


SOVIET MILITARY ASSISTANCE
IN THE 1980'S [U]
TURKEY
LIBYA
EGYPT
SAUDI ARABIA
PAKISTAN
INDIA
CHAD
SUDAN
▥ COUNTRIES RECEIVING SOVIET AID

All of these moves by the Soviet Union are low-key, but their net result is to undercut United States influence in the region. We must counterbalance the Soviet effort, or their strategy will prove correct.

Terrorist Threat

The threat of international terrorism is currently one of the most serious problems facing the United States and the countries within Central Command's Area of Responsibility. The level of terrorism remains a constant concern and serves as a destabilizing factor throughout the region.

Over 60 terrorist groups are currently known to exist in the region. Moreover, a growing percentage of the population in the Middle East is under 25, unemployed and restless. This demographic phenomenon offers fertile ground for radicalization, be it religious, nationalistic, ideological or economic.

Many terrorist groups originating in the Middle East are influenced and supported by state-sponsors such as Iran, Libya, Syria and Afghanistan. Radical Palestinian groups such as the Abu Nidal Organization and the Popular Front for the Liberation of Palestine General Command continue to rank among the most deadly and capable groups that operate and train in the area. Iraqi-sponsored terrorism could reemerge on the international scene and an increase in Iranian-sponsored terrorism is expected, as these two countries divert their attention from the war front to a post-war era.

NATIONAL AND REGIONAL OBJECTIVES

Our national security strategy reflects United States national interests and objectives. It provides the broad plan for satisfying our national security objectives. These national security objectives are well defined.

- Safeguard the United States and its allies and interests by deterring aggression and coercion across the conflict spectrum; and should deterrence fail, by defeating armed aggression and ending hostilities on terms favorable to the United States and its allies.
- Encourage and assist our allies and friends in defending themselves against aggression, coercion, subversion, insurgency, terrorism, and drug trafficking.
- Ensure access to critical resources, markets, the oceans, and space for the United States, its allies, and friends.
- Where possible, neutralize Soviet military presence and influence throughout the world, increase the disincentives for Soviet use of subversive force, and encourage independent policies by Soviet client states.
- Prevent the transfer of militarily critical technology and resources to the Soviet bloc and hostile countries or groups.
- Prevent the spread of nuclear, chemical, or biological weapons.
- Reduce our reliance on nuclear weapons by strengthening our conventional and chemical deterrent; pursuing equitable and verifiable arms reduction agreements and insisting on compliance with such agreements; and pursuing technologies for strategic defense.
- Address the root causes -- military, political, economic and social -- of regional instabilities, and maintain stable regional military balances.

Former President Reagan and President Bush have steadfastly reaffirmed America's commitment to protect United States and free world interests in the Region. My task is to put military capability behind these national commitments. Accordingly, United States Central Command objectives are as follows:

- Strengthen regional stability by prudent application of United States influence, presence, and aid.
- Preserve free world access to Southwest Asian oil resources.
- Limit the ability of unfriendly regimes to destabilize or subvert the governments of our friends and allies.
- Counter Soviet initiatives to gain influence and power in the region.

- Deter and, if necessary, defend against Soviet aggression.

Using these national and regional security objectives as a guide, United States Central Command has developed a theater strategy that recognizes the importance of the region, considers its unique problems and addresses the regional and global threat.

THEATER STRATEGY

Two mutually supporting strategies must be worked simultaneously to accomplish these objectives. The first strategy is used to guide actions during peacetime and prepare the stage should the second, a wartime strategy, need to be executed.

Peacetime

The goal of Central Command's peacetime strategy is deterrence. This strategy is designed to strengthen our ability to deter war by demonstrating our resolve to support allies and friendly nations and to counter increased Soviet influence. This is best accomplished by demonstrating to our friends in the region our solid commitment to their security. By doing so we enhance our ability to maintain continued access to the region. Security Assistance, presence, and exercises in the region are the pillars of the strategy.

- Security Assistance permits the regional states to strengthen their ability to defend themselves by providing arms, military training, technical training and logistical support.
- Visits and consultations are designed to gain and maintain access to key sites within the region while building trust and confidence in our capabilities and intentions to participate in a cooperative defense.
- Daily presence of operational forces and a well-developed program of frequent combined exercises confirm commitment and bolster mutual confidence in our ability to execute a coalition defense of the region.

Regional nations must be continually assured that the United States has a long-term commitment to their security and that United States resolve to defend against external aggression is lasting. This strategy supports the achievement of national objectives in an environment of peacetime competition and builds the foundation upon which the wartime strategy rests. An example of such commitment is the presence of the Joint Task Force Middle East in the Persian Gulf and Northern Indian Ocean which played a major role in achieving the cease-fire. Central Command will maintain a naval force in the region, at a level consistent with the threat and the requirement for our presence. Our friends in the region see this as a key element of our commitment to their security.

Wartime

Central Command's wartime strategy is derived from an analysis of Soviet long-term strategic objectives in Southwest Asia. Those historical objectives focus on alternate warm water ports, oil resources, land access, and control of lines of communication to those resources. Hence, our strategy is designed to deny Soviet attainment of those objectives.

Our strategy reflects that, within the context of a global strategy and finite available forces, Central Command could well be a secondary theater. It places a premium on coalition warfare in which our friends and allies assume a share of the responsibility for defense of the region. This allows United States forces to concentrate on challenging and denying the Soviets their objectives.

The Command's strategy is sufficiently flexible to accommodate uncertainties which will not be known until the time of execution. It accommodates these variables by providing flexible execution options. This approach serves deterrence as well as war fighting. If deterrence fails, the options bring to bear available forces at key locations to strengthen regional defenses, deny the Soviets their strategic objectives, and ultimately confront and defeat them.

In sum, the Central Command's strategy is necessarily one of economy of force which capitalizes on the synergistic effect of United States and friendly forces to selectively deter or counter hostile Soviet military actions. Clearly, coalition warfare and active military support of our objectives by friends and allies are critical.

RESOURCES

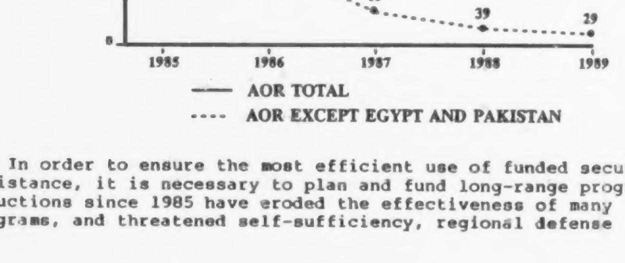
Declining budgets will require tough decisions to ensure that this nation gets the most for its dollar. If Central Command is to accomplish its peacetime and wartime missions, there must be continued support in the following areas:

Security Assistance

In order for the United States to exercise effective leadership within a cooperative regional framework, a credible security assistance program for the Central Command region is necessary. Security assistance is an essential instrument in the implementation and integration of the twin pillars of our national military strategy - deterrence and forward defense. Security assistance has been, and can continue to be, a productive and cost-effective investment which yields enormous returns at a relatively small price. The role of security assistance in Central Command's theater strategy calls for programs tailored to build a coalition of strong local forces, capable and confident in combined operations, when required, with the Central Command forces. With no permanently stationed Central Command troops on the ground, this coalition of local forces serves as a ready and effective force multiplier. This reliance on our regional friends and allies becomes even greater as our own defense budget declines.

As emphasized throughout this statement, program reductions since 1985 and restrictive arms transfer policies have damaged our credibility as a reliable security assistance partner and threatened our regional access and overall military-to-military relationships. This situation is further exacerbated by "earmarking" security assistance funds which has caused some of our country programs to bear a disproportionate share of the reductions. In the past few years, earmarks have remained relatively constant while non-earmarked funds are down by 87.6%, as shown on the chart below. These reductions send an ominous signal to non-earmarked countries. Should this trend continue, the damage to United States' interests in the area may prove irreversible.

TOTAL MAP & FMS CREDITS
CENTCOM AOR

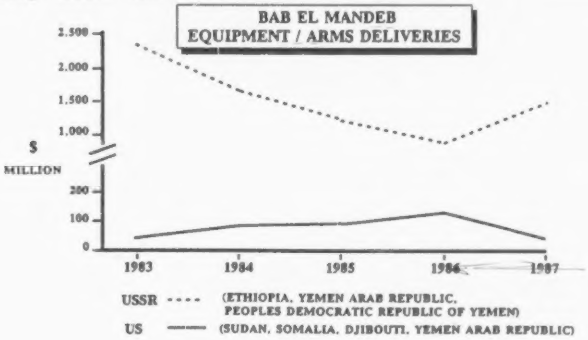


In order to ensure the most efficient use of funded security assistance, it is necessary to plan and fund long-range programs. Reductions since 1985 have eroded the effectiveness of many programs, and threatened self-sufficiency, regional defense arrangements and major capital security assistance investments. These reductions, combined with Congressionally restricted arms transfer policies for cash countries, have given our adversaries increasing confidence that they can challenge United States interests with impunity. Further, a void has been created for others to fill as they increase their influence and actively pursue the international arms export market. Over $43.1 billion in known arms sales have been lost by the United States in the last four years.

The recent $30-35 billion purchase by the Saudis of British aircraft, air bases, and other equipment is a prime example of our western allies filling the gap created by our restrictive arms transfer policies. On the other hand, the stringent restrictions and conditions imposed before approving the sale of 70 Stinger anti-aircraft missiles to Bahrain is an equally disturbing example. (One of the conditions of the Bahrain Stinger sale was a mandatory buy-back provision, requiring that Bahrain agree to sell the Stingers back to the United States no later than 18 months from the date of enactment of the legislation. The sale was approved only after the buy-back provision was included.) Such provisions embarrass both the United States and the purchasing country by insinuating that we cannot trust a proven friend and that our own commitment is vacillating. During our Persian Gulf operations in 1988, Bahrain's support, as well as that of other Gulf Cooperation Council countries, was significant as together they provided the United States almost $90M worth of fuel support and other services. This is the sort of cooperation we must have if we are to continue to achieve military objectives there. Without the good relationships fostered by security assistance, including arms sales, we cannot be sure of sustaining this level of cooperation in the future.

While security assistance is the key to conducting coalition warfare, it can also promote a whole range of other security relationships -- influence, access, and mutual commitment. Unfortunately, the erosion of United States security assistance programs has actually escalated the probability of increased arms acquisitions from other sources.

While the Soviet Union has demonstrated flexibility and responsiveness in providing military assistance to meet its foreign policy objectives in the region, the US has failed to do so. For example, when one considers those countries surrounding the strategic Bab el Mandeb choke point opposite the Yemens, the Soviets have delivered over 20 times as much military equipment during the period 1983-1987 as has the United States. As shown below, United States military assistance began to counter Soviet influence through 1986; however, as United States funding declined, the Soviets immediately filled the void.



A good example of the Soviets stepping into a position of prominence in the area is the case of the Yemen Arab Republic (YAR). Our programs had been designed to demonstrate the superiority of American equipment and the reliability of our sustaining support. Even before the drastic reductions of our assistance to the YAR, the Soviets had aggressively been pursuing programs such as aircraft, tanks, personnel carriers, and air defense weapons. This trend shows every sign of continuing.

In Jordan, the steady decline in United States military assistance -- from a high of $115 Million in FY84 to $10 million for FY89 (the lowest figure since the mid-60's)--has significantly eroded the United States position, particularly with the Royal Jordanian Air Force. The Soviets have gained a virtual monopoly on Jordan's tactical air defense, the aging (and immobile) United States-provided Hawks notwithstanding. The King's decision last year to purchase British and French fighter aircraft--following a long and serious look at Soviet fighter aircraft--is probably part of a long-term trend toward increased military dependence on Europe.

Besides generally weakening our position in the area, some of the direct effects of funding reductions are:

- Postponement of force modernization.
- Cuts in logistics support for existing systems.
- Cancellation of entire programs.
- Degradation of the readiness of previously purchased weapons system.

For our friends and allies shown on the chart on page 39 (Sudan, Somalia, Djibouti and the Yemen Arab Republic), plus Jordan, only $13.5 million in United States-funded military assistance was provided for FY89. For FY90, we believe $134.5 million is the required amount for these countries in order to meet United States security assistance objectives and support our coalition warfare strategy. Anything less will put the economy-of-force aspect of our strategy at risk. We simply cannot afford to ignore the uniquely cost-effective advantages gained by prudent security assistance investments.

In short, the lack of a long-range, adequately funded United States security assistance program is threatening regional stability, decreasing available regional support, and opening the door for challenges to United States interests and influence. Should present downward trends and restrictive arms transfer policies continue, we may one day find our position so weakened that we cannot respond effectively to Soviet challenges.

Exercise Support

With few permanently assigned forces, exercises provide the primary means to evaluate the joint capabilities of forces that would be assigned to Central Command. Joint Task Force Middle East currently represents the only assigned force continuously operating in the Area of Responsibility. Day-to-day operations and contingencies have resulted in operational improvements which make Joint Task Force Middle East a ready and experienced asset. Exercises must be used to improve and train the remaining forces of both the United States and our friends and allies in the area. Central Command's recent successes in the Persian Gulf and its consistently improving reputation throughout the Area of Responsibility have contributed to an easing of access restrictions. As a result, efforts are underway to capitalize on this opportunity to broaden the exercise program and involve more countries. Exercises will, however, require increased resource support in service O&M as well as JCS transportation funding above the FY88/89 level to support new initiatives. Small exercises are the first step in expanding military-to-military relationships and are a necessary and effective starting point in countries allowing first-time access. As exercise levels increase, command relationships, technical complexity, size, and importance of these exercises grow. Ultimately, this growth can progress to participation in the major exercise, BRIGHT STAR. Conducted every two years, BRIGHT STAR was last held in 1987, costing over 75 million dollars. This massive exercise provides the only opportunity to train and test a large joint Service United States force -- in coordination with the armies of several countries in the Area of Responsibility. It is essentially our dress rehearsal for the complex goal of interoperability. The required exercise level growth cannot be absorbed within the existing program. Therefore, an increased investment is needed now to provide the required practical battlefield simulation that will coalesce our forces with those of our friends.

In addition to providing improved training opportunities, the Central Command exercise program demonstrates our resolve to support friendly Area of Responsibility nations, provides a means to maintain regular access to areas without United States permanent bases, and increases military-to-military cooperation. The vast differences in climate and culture make it important that servicemen and women understand the character as well as the capabilities of those they may be fighting alongside. Increased support for the exercise program, as outlined above, is requested.

The nations of the Central Command Area of Responsibility vary widely in their economic ability to support their armed forces. Title 10 funding is the only way some of these countries will be able to participate in combined exercises. Because of severe financial difficulties, some countries cannot support participation without harming other essential programs. Congressionally established ceilings on Title 10, Section 2010 (Participation of Developing Countries in Combined Exercises: Payment of Incremental Expenses) and Chapter 20 (Humanitarian/Civic Assistance) severely limit flexibility in developing viable programs across several countries. These two programs fund interaction with the host nation in two areas. First, Section 2010 enhances exercises by allowing us to support host nation participation in a combined exercise. Through this program, reimbursement for expended consumables, such as food, fuel, ammunition, etc., is possible, either by direct payment or by providing the consumables themselves. In countries with minimal reserve stockpiles this support is often critical. Second, Humanitarian/Civic Assistance allows the forces partici-pating in these exercises to interact with the civilian populace by covering the costs of construction projects, such as water wells, and medical treatment supplies. These efforts dramatically improve relationships with people outside the military while training our service personnel. By linking the two programs to exercises, we enhance the image of the United States and gain critical access in the Area of Responsibility. One of the most beneficial Title 10 programs, Section 1051 (Bilateral or Regional Cooperation Programs Payment of Personnel Expenses), provides the capability to bring foreign personnel here to plan exercises and observe United States tactics in large scale exercises. Congressional authority to fund this travel under Title 10, section 1051 expires on 30 September 1989. An extension of this authority is required to ensure the continuance of this successful and beneficial program.

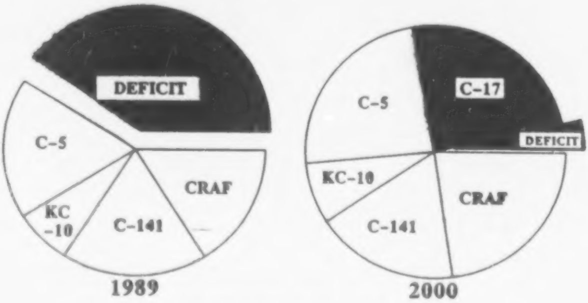
Readiness

The readiness and sustainability of Central Command are manifested in the status of units and our ability to keep them supplied in combat. Our combat units have no significant readiness problems which preclude them from accomplishing their assigned mission. The readiness level of the Army non-major support units, especially in the Reserve Component, continues to be a concern. Because of your support, Army personnel, training and equipping programs have made substantial progress in many aspects of force readiness. Your past assistance is greatly appreciated and with continued support steady improvement is projected in the future.

Lift

Today both airlift and sealift resources are inadequate to meet our deployment requirements. As the chart below shows, the C-17 is the only current program that will provide a substantial increase in strategic airlift capability and take us close to the national goal of 66 million-ton-miles/day. Although Central Command would deploy only 17% of the national force, because of the huge distances involved, this deployment requires 50% of the national airlift goal. Since there exist other and competing high-priority requirements, we urgently need full support of the DOD airlift program.

STRATEGIC AIRLIFT

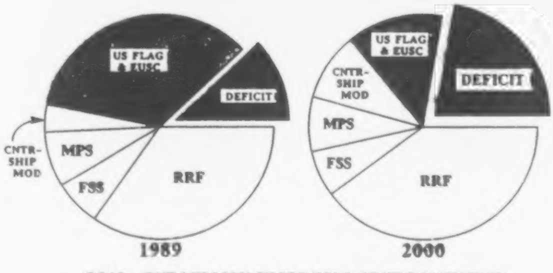


GOAL: 66 MILLION-TON-MILES / DAY

CRAF - CIVIL RESERVE AIR FLEET

Our requirement in sealift is to move one-million short tons of unit equipment to Southwest Asia within 90 days. Currently, 89% of that requirement can be met, but unlike airlift we see no future ramp-up in this capability. In fact, the prognosis for sealift, shown in the chart below, is that the deficit will double in the next ten years.

STRATEGIC SEALIFT



GOAL: ONE MILLION SHORT TONS (UNIT EQUIPMENT)

EUSC - EFFECTIVE US CONTROL
MPS - MARITIME PREPOSITIONING SHIPS
FSS - FAST SEALIFT SHIPS
RRF - READY RESERVE FORCE

There are three contributors to this decline. They are:

- Availability of crews for Ready Reserve Force ships: Of the 29,000 man Merchant Seaman pool, more than 50 percent are over 50 years of age. A deficit of 12,000 trained merchant mariners is expected by the year 2000 against what we need to meet mobilization requirements.
- Decline of shipyard facilities and skilled workers: In 1980, there were 69 merchant ships under construction in American shipyards. At the end of 1987, there were no commercial ships under construction. The skilled shipyard worker force is down 30 percent from 1982. The decline of shipyards and their work force endangers our nation's ability to maintain and activate our Ready Reserve Force.
- Decline of United States Flag Merchant Fleet: It is not economically viable for United States Flag carriers to compete in the international marketplace. Accordingly, the size of the United States flag merchant fleet continues to shrink. Of 199 militarily useful dry cargo ships in operation in 1987 only 93 are projected to be available in the year 2000.

Because of the weight and cube of deploying units and their sustaining supplies, 95% of Central Command's requirements will come by sealift. The sealift shortfall strikes at the heart of the deployment and sustainment lifeline. This problem is of particular concern to us, since we have no forward deployed forces.

Existing programs designed to maintain our current capability include expansion of the Ready Reserve Force and the Containership Modification Program. The latter buys seasheds and flatracks which enable containerships to carry unit equipment. Projections are that these existing programs, if fully supported, will marginally support unit equipment lift only until 1992.

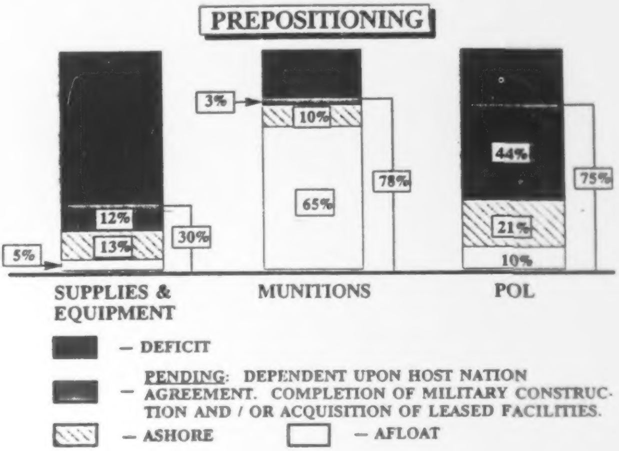
The current SL-7's, Fast Sealift Ships, provide a good start in improving our rapid deployment capability. However, other technologies being developed through Navy R&D programs for fast sealift (e.g., surface-effects-ships) need to be supported if we are to overcome projected deficits in strategic lift as we move toward the 21st century.

MILCON

With the strong support of Congress, significant progress has been made at reducing critical facility shortfalls. The FY88 program largely completed requirements at Diego Garcia and allowed steady progress at improving our pre-positioning posture in the region. The 1989 program provided funds for two critical projects which support United States Army pre-positioning and staging as well as improvements to United States facilities. The proposed 1990 MILCON Program builds upon the momentum of the past two years with six projects valued at $52.7M. The goal of the FY90 program is to correct airfield deficiencies (taxiways and aircraft parking aprons) at two strategic locations as well as providing additional warehouses for both the Army and Air Force. The Southwest Asia FY90 program also proposes additional hydrant fueling upgrades at Lajes to further improve this enroute support location. With Congressional support in FY90, Central Command will reduce its facility deficit which once stood at $1.4B to about $200M by the end of 1990.

Pre-Positioning

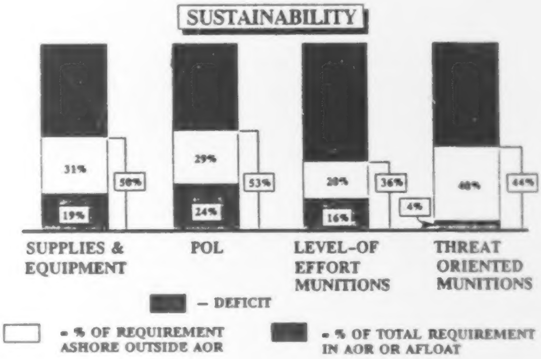
Readiness of United States forces for initial combat depends on theater-prepositioned War Reserve Materiel (WRM). Pre-positioning (PREPO) of WRM enhances the ability to respond during full-scale operations and gives us flexibility to employ forces rapidly. Another important advantage of pre-positioning is that it is also available to support overseas exercises, which considerably reduces operating costs by decreasing airlift and sealift requirements. Shown below is the current PREPO posture.



Current initiatives and previous congressional authorizations should improve Central Command's posture by approximately 1.2 million square feet of storage space, 6,000 short tons of munitions, and 5 million barrels of bulk petroleum.

Sustainability

While pre-positioned stocks meet the deploying forces' immediate need, sustainability is the other essential element of successful force projection - the staying power of a military force once it is deployed. Materiel sustainability is composed of several interdependent elements including assets pre-positioned and those in depot stocks in the United States. Shown below is the current materiel sustainability posture.



Primary shortages include major end items, medical supplies, repair parts, bulk petroleum, preferred munitions, and air-to-air missiles. The proposed budget provides modest gains in munitions. However, equipment shortages continue to be a problem for some support units. The Services need continued funding support to reverse this situation. Particularly critical items include the Air Force and Navy AMRAAM Program and Army modern munitions.

Another aspect of sustainability, Logistics Over the Shore, is the capability to load, offload and transfer equipment and supplies from ship to shore. Currently Central Command has only a 9,800 short ton per day capability against a 21,000 short ton per day goal. The key to a successful Logistics Over the Shore operation program is a Lighter Amphibious-Heavy (LAMP-H) hover craft which can deliver a full range of equipment across the beach. This important program is being supported by the Army and continued funding support is solicited.

Sustaining Central Command forces requires adequate medical facilities and equipment. While the plan is to use available medical facilities to the maximum extent, a 70% bed shortfall still exists which is of major concern and can only be overcome with continued support for the Deployable Medical Systems Program which is funded in the current budget.

Command and Control

A robust, survivable, theater-wide communications capability is an essential element in the effective command and control (C2) of assigned forces. Consequently, development of a command and control communications infrastructure receives a high priority.

Until recently, the region was uniquely devoid of United States command and control communications. The Defense Communications System essentially stopped at Turkey in the West and at the Philippine Islands in the East. Furthermore, most host nation commercial communications are extremely limited and their viable military systems are just now beginning to come on line.

Due mainly to requirements associated with tanker escort operations in the Gulf, the Command has enjoyed limited success in closing this gap in the Defense Communications System. Minimum essential communications and computer systems have been pre-positioned in an operational status at key locations to support the Commander, Joint Task Force Middle East, Security Assistance Offices, United States Military Training Missions, and United States Embassies.

Plans are to continue to upgrade assets in the Area of Responsibility and the continental United States. Actual deployment will be gradual and will depend on operational and storage agreements negotiated with the region's host nations. Ideally, equipment will be positioned in storage at preferred locations where communications maintenance and management facilities are planned. Equipment based in the United States will be maintained in an operational status and will be used for training prior to any required deployment.

Since Persian Gulf activities are closely related to friendly regional states, interoperability requirements are not limited to United States forces. A number of secure voice circuits have been established between the United States and friendly nations for immediate threat warning and measured, combined responses. Permission for overflight clearance is obtained through this means as is coordination on other matters of mutual interest and concern.

The Central Command's Command and Control posture has steadily improved throughout the past year. Further, plans and programs are in place to continue the improvement in both near and long term.

Intelligence

The success of our forces' tanker escort mission in the Persian Gulf over the last year and a half could not have been achieved without the timely collection, analysis, and dissemination of reliable intelligence to the commanders on the scene.

During this period, Central Command deployed and depended on small-scale intelligence systems of limited capability. These were the only systems available to us; despite their usefulness, they failed to fill several critical voids in our intelligence requirements.

With your support, Central Command hopes to put in place an array of full-capability systems that will be able to provide comprehensive intelligence support to Central Command forces in any foreseeable contingency. These will include the Deployable Intelligence Data Handling System (DIDHS), which is to come on line this year, and will boost our ability to analyze and manage the flow of intelligence information from collector to commander. A new imagery-processing system, which we hope to get next year, will slash a remarkable 18 to 24 hours from our response time to imagery intelligence requests.

Coupled with new communications capabilities such as the Portable Receive-Transmit System (PORTS-II) and the Scalable Transportable Intelligence Communications System (STICS), we will be able to move imagery and intelligence data from the photo interpreter to the operational commander in minutes rather than days.

Denial of Soviet intelligence gathering is as important as our own efforts to obtain useable intelligence. The Soviets currently possess the capability to control access to space and to threaten our forces worldwide. We need to establish a program that will counter this uncontested advantage by placing Soviet satellites at risk. I strongly support the anti-satellite (ASAT) program.

Finally, we are exploring the capabilities of newly-developed, reliable, relatively inexpensive Remotely Piloted Vehicles (RPVs), which could give operational commanders immediate, on-scene reconnaissance support.

Intelligence support is an area in which Central Command cannot afford to fall behind. With your backing, the Command will be able to provide its forces with the timely, reliable intelligence they need to operate effectively in any foreseeable contingency.

SUMMATION

To sum up, let me state Central Command's position as succinctly as I can.

Because of its oil and critical sea lines of communication, the Central Command Area of Responsibility is vital to the security of the United States and its allies. Increasing Soviet presence and influence in the region constitute a threat to our interests. The best way to counter this threat is by building our regional friends' confidence in our commitment to their security. The United States can do this by maintaining a military presence in the region at a prudent level, by pursuing a comprehensive program of joint/combined military exercises with host nations, and by supporting the legitimate defense needs of our friends in the region through arms sales and meaningful levels of security assistance. Central Command has accomplished much in the past year and a half to prove our commitment. With sustained Congressional support, we will continue to do so.

Senator **Inouye**. Thank you very much, General.

Before I proceed, I hope all of you will forgive me for this strange voice of mine, but I was stung by the flu bug like many here.

UNFRIENDLY AND FRIENDLY NATIONS

Before proceeding with my questions, just for the record, since you have referred to friendly nations on several occasions, who are the friendly nations, the unfriendly nations, and whatever third category you may have?

General **Schwarzkopf**. We really have what I would call friendly nations, neutral nations, and unfriendly nations in the area.

Let me start with the unfriendly nations. Obviously, you have [deleted] in the area. The [deleted].

At the present time I would consider [deleted]. There has been some movement in our direction, but [deleted].

And of course, [deleted].

You have many others that are sort of [deleted]. Of course, at the present time they have a socialist Marxist government there, but [deleted].

Nations that are, I would say, overwhelmingly friendly, certainly [deleted].

I can think of no nation large or small in the Persian Gulf that has done more for the U.S. operations in that area than [deleted] but here—and this is one of the reasons why I wanted to make sure that we kept this information closely held—we have a very interesting situation in the Middle East, sir. And that is, countries want to be friendly with us, but, given the geopolitical situation which they face and the Arab—[deleted] it is very, very difficult for them to overtly come out and say, we support the United States and we are their friend.

So you find [deleted]. One of the best [deleted].

But if you go back and look at the public statements that we made during that time, all we said is, yes, [deleted].

So another example I would give you is perhaps [deleted].

[Deleted.] They are very concerned about the chemical capability of Libya and publicly, [deleted]. Libya is not in my area of operations, but it is so [deleted] and, therefore, has a tremendous influence.

[Deleted.]

So that is a very long answer, Senator, to a short question. But I think it gives you a flavor for the nuances that we are dealing with out in that area.

Senator **Inouye**. The Persian Gulf naval escort mission has been a rather contentious one in the United States, in the Congress, and in the populace, editorial pages. It has been very costly in lives, and the sacrifices of these lives would testify to the risks of these missions.

PERSIAN GULF LESSONS

Have we learned any lessons from that mission?

General **Schwarzkopf**. I think so, Senator. I would tell you that one of the first lessons we have learned is how well we can conduct a joint task force operation. But I think we have also learned there is only one commander that can be involved in an exercise like that, and he has to be in charge and everybody else has to fall under his command.

I would tell you that I can report very favorably to you on the communications interoperability between the services in this exercise. As you know, in the Grenada operation there was a great deal of criticism leveled at the Armed Forces for their inability to speak to each other from service to service. In the Persian Gulf operation, I would tell you that I think we have gone a long way toward solving that problem, and that was a very encouraging development.

We were able to use Army special purpose helicopters on Navy ships, something that has never been done before, and that operation was a great success. As you know, the Iran Ajar, when we captured the ship that was in the process of laying mines, it was actually captured by Army helicopters launched off Navy ships, and that is probably a first. I am sure that is a first.

A lot of our equipment worked well out there. Some of our equipment did not work very well out there. And we have learned that there is a need for better equipment in certain areas, and we are certainly going to follow up on that.

I think we learned a lesson about our minesweeping capability, that they were old and they were hard to support, and, therefore, I think we are paying closer attention to the minesweeping capabilities.

But there are several lessons of that sort that it worked. I think probably the biggest point, though, is that this chain of command from the national command authority all the way down to the commander of the joint task force Middle East worked. We were able to conduct that operation even though it was 7,000 miles away from the United States, and with almost instantaneous information.

I personally feel that the forces out there did a darn good job.

Senator **Inouye**. Are you satisfied that these lessons learned are now being incorporated into our new policies?

General **Schwarzkopf**. Senator, I am satisfied that we are aware of the lessons learned, but we still have a ways to go before we incorporate them in our new policy.

Senator **Inouye**. What sort of lessons are now not being incorporated?

General **Schwarzkopf**. Well, I do not mean that as a negative statement. I just mean that it is too soon to see the corrections reflected in these lessons learned reflect itself in our budget submissions and our long-term programs, and until such time as they are reflected there I am not too sure that I can say that the problems will be corrected.

GULF SUPPORT

Senator **Inouye**. One of the principal reasons for holding this closed session was to facilitate discussion of the support and the facilities provided by nations in the gulf for the escort mission and other U.S. initiatives under your command.

Will you cover in some detail the support provided to your Command by nations in the gulf for the Persian Gulf escort mission, and in so doing include services, facilities, fundings, and other forms of assistance? Because I am well aware that some of these assistance programs are not the result of written agreements, and, therefore, it does not show up in any of our documents.

As you have indicated on my first question, there are many services rendered without any public acknowledgment. So please proceed, sir.

General SCHWARZKOPF. Yes, sir. First of all, I would like to start with [deleted].

If [deleted] it certainly would have cost far greater in the way of hospital ships floating in the gulf, aircraft carriers out there that would have had to have been used, and that sort of thing.

[Deleted.]

Let me move to a couple of other places. [Deleted.]

Senator INOUYE. Was there any direct cost involved to the United States?

General SCHWARZKOPF. [Deleted.]

[Deleted.]

[Deleted.]

[Deleted.]

Senator INOUYE. Have you been denied any assistance by friendly nations?

General SCHWARZKOPF. Denied any? No, sir; not to date.

Senator INOUYE. Whatever you asked for, they have provided?

General SCHWARZKOPF. Within reason; yes, sir.

Senator INOUYE. I have many other questions, but now I will call on Senator Lautenberg.

Senator LAUTENBERG. Mr. Chairman, I will be very brief. I was interested in hearing General Schwarzkopf's presentation and his response to a couple of questions.

First of all, I have to ask you a question having little to do with your command. Were you related to Colonel Schwarzkopf?

General SCHWARZKOPF. My father, sir.

Senator LAUTENBERG. Really?

General SCHWARZKOPF. Yes, sir.

Senator LAUTENBERG. That is interesting. Colonel Schwarzkopf was the superintendent of state police during the time of the Lindberg trial. And we always have distinguished people come out of New Jersey, Mr. Chairman, as you can see looking right and left.

General SCHWARZKOPF. Thank you, Senator.

Senator LAUTENBERG. Nice to see you.

I could not help but notice as we looked at these charts that our good friends Saudi Arabia, Jordan, if we are talking about—these are executed agreements that you present here, just for example page 7 in the supplement, Saudi Arabia.

These are agreements to deliver military goods or goods that have been delivered in the years that are detailed. And in the case of Saudi Arabia, our representation is almost insignificant on a relative basis. It is fair to say that in the case of Jordan, page 5, the ratio is not quite as disparate, but we are way down there in terms of supplies of materiel and equipment.

It is fair to say that for the most part we think of these nations as friendly. You were very clear before when you said that the relationships between ourselves and these countries have been torn by their other influences, [deleted].

ARMS AGREEMENTS

Have we in the Congress prevented our country from getting a larger share of that, that market, or is there—what are the considerations that you think may have kept us to the small share that we have there?

General **Schwarzkopf**. Senator, let me give you a good example. Look at chart 7, on the Saudi Arabia arms agreement. You will notice that the green line, that provided by the Free World less United States, is very low in 1986–87, very depressed in 1986–87. That was during the time when the Saudi Arabians came to us and asked for F–15's. So they were not buying from anybody else, because their seller of choice is the United States, as it is with most of the nations over there, because we have a far better record in the type of equipment we deliver and the way we maintain it and take care of it after it is there.

But then, of course, what happened is, in 1987 notice how we have the spike. That is because the United States denied the sale of the F–15 to Saudi Arabia. So what they did was they turned around and they bought Tornadoes from the United Kingdom, to the tune of $30 billion.

Now, what happens is, when they bought the Tornado the Brits were also able to say: "OK, if you want to operate the Tornadoes, you need to have the right kind of air bases, so we will come in and build the air bases for you also." So they got the air bases contract, they got the supply and logistics contract.

But I think another thing that is very important to realize, when we denied them the F–15 it was an aircraft that had a range of about 700 miles. They went and bought an aircraft that had a range of 1,200 miles. [Deleted.]

Senator **Lautenberg**. Well, is it appropriate to say that the response in terms of the volume of purchasing to the denial in this case, or the deferral—and you would have to refresh my memory here—of the F–15 sale resulted in an incredible volume of materials purchased from the Saudis?

And the thing that concerns me is, I guess I can understand their pique or their annoyance with America if we deny them equipment. On the other hand, I think part of this—we denied them other things that they could use that were not a threat to our interests and Israel, et cetera. And, of course, cannot the F-15 range be extended somewhat?

General **Schwarzkopf**. Yes, sir; it can. If they were to buy auxiliary tanks and that sort of thing from other nations, it could be.

But I think it is important, Senator. [Deleted.]

[Deleted.]

Senator **Lautenberg**. But we are not talking about the Soviets in the case of the Saudis. We are talking about the French and the British.

General **Schwarzkopf**. The Brits and the French do not either, sir. They sell to the people that have got the money in their pocket.

Senator **Lautenberg**. Well, the thing that concerns me is, I do not think that these countries—and I heard what you said about Bahrain and Kuwait and the others who helped us help them in the Persian Gulf. I do not really think it was that they were being generous. I think that they were protecting their interests.

General **Schwarzkopf**. Absolutely.

Senator **Lautenberg**. And there is nothing wrong with that. But in the case of the Saudis, in the case of Jordan, what I sensed from the material that I saw in the past was that they were trying to assert their independence of will and went ahead and bought equipment in some cases that was not of the quality and did not have the support system.

We have, after all, a fair infrastructure over in Saudi Arabia to take care of their needs, to train them. It is a constant process.

And I am concerned that we do not get in return from these countries the kind of support, the kind of loyalty, that I would have thought we deserve.

Now, there is this honest debate about whether or not Israel is threatened by these things and, of course, we can only assume that she is, because the statements that come out of these countries are fairly, particularly the Saudis, fairly bellicose in terms of Israel's elimination.

POLITICAL SITUATION

But I am again disappointed that we do not see more purchases of our material from these countries. I just wonder whether you would want to make any reference to the political situation. Could we exert more pressure, do you think? We are there all the time when you need us. I mean, it was not the U.K., it was not France, that took the initiative to protect the Persian Gulf. It was America that did that, and I would think we ought to get something in return for that.

General **Schwarzkopf**. Senator, I would tell you that I think we are getting a lot in return as far as friendship is concerned. And I guess the reason why I am discussing the subject today is I am afraid we are going to lose the friendship that we have now if we are not willing to continue to deal with these people in a more balanced approach than we have to date.

It is not a question of them not liking us. It is a question of them not considering us to be a reliable partner in these affairs. In other words, they never know from one day to the next how we are going to react to a request from them.

And a lot of times, they send up a simple request and they end up getting bashed around an awful lot in the media and in the Congress for sending that request. [Deleted.]

But let me give you an example of something that of course is bothering me greatly right now. I told you how [deleted].

So we turn around to Bahrain and we give Bahrain [deleted] Stinger missiles. This is the best friend we have in the gulf, who supported us [deleted]. When we gave them those missiles we said: In 18 months you have to sell them back to us, [deleted].

Senator LAUTENBERG. [Deleted.]

General SCHWARZKOPF. [Deleted.]

Senator LAUTENBERG. [Deleted.]

General SCHWARZKOPF. [Deleted.]

Senator LAUTENBERG. It is hard for me to understand why we cannot have the same arrangement with some of those other countries who recognize that we are there when the crunch comes.

I will not take any more time, Mr. Chairman, except to say, General Schwarzkopf, nice to see you and to remember the Schwarzkopf family contribution to the State of New Jersey. It is always nice to see someone from my home State. I hope you still consider New Jersey home.

General SCHWARZKOPF. Sir, I still have New Jersey license plates on all of my automobiles.

Senator LAUTENBERG. Keep it up. Good to see you.

Senator INOUYE. Thank you.

Senator Specter.

Senator SPECTER. Thank you, Mr. Chairman.

General, let me at the outset express my regret that I cannot stay for the entire proceeding, because this is one of those days when so many of the committees are in session. [Deleted.]

Certainly the Iranians knew that [deleted].

I had occasion to visit the United Arab Emirates in January 1988 and discuss with them, for example, the subject of recognition of Israel or a statement that Israel has a right to exist, which I think is implicit in United Arab Emirate policy, as it is with Jordan or with Kuwait or with most of the Arab nations, if not with Syria, for example.

And were those nations to be expressing that kind of an attitude, it would be a leadership role for Arabs around the world and it would be reassuring, confidence building, for the Israelis, and it would set a tone that people would understand what the reality was.

[Deleted.]

How can we deal with that problem?

General SCHWARZKOPF. Senator, that is a very, very, very good question and a very tough one to answer. I first of all think that they do express among themselves that support.

I was privileged to have lunch for 2½ hours with King Hussein when I was in Jordan last month. He was absolutely forthright to me on his opinion on the situation in that area and how best to resolve it. But the other thing that he was very strong on to me was the fact that he felt that the Arabs have to solve the Arabs' problems, and that the only way they are going to do that is if the Arabs quit fighting among themselves and get together, and through getting together go ahead and attack some of these problems and come to reasonable solutions, and I underline the word "reasonable," because that, of course, has been Hussein's position all along.

I am very encouraged by the fact that what you see is Egypt and Iraq going into the Arab Cooperation Council, I think it is, ACC, that they just formed plus with Iraq, Jordan, and YAR. I think that is their way of taking a somewhat radical state and trying to bring it into the moderate fold and forming what happens to Iraq, [deleted].

But I also think we have to understand that [deleted].

Senator **Specter**. Who was it who said that?

General **Schwarzkopf**. [Deleted.]

I think that—[deleted] and they, therefore, calculate very carefully all of their statements, because they could very quickly become a target for the terrorist. And that would be very destabilizing to their regimes.

I think that we just have to understand that and continue to work with them through quiet diplomacy. I think our policy has been very successful.

And I would tell you that I have not gone into a country yet—and I have been to most of them in the Middle Eastern area—where they have not told me that they wanted to be friends with the United States, they support most of our policies, that they are very definitely seeking a solution to the Palestinian question, and not a violent one. They are looking for an international solution that will be a peaceful one to the Palestinian question.

Senator **Specter**. Well, I can understand their concerns. But it seems to me that in the big balance you have a country like Egypt, which has had dealings with Israel; Egypt has problems with fundamentalism. They are at risk, but it is a question of how far President Mubarak can be persuaded to go.

If the [deleted] will not face up to their friendship with the United States, it seems to me it would be very difficult to get an Arab nation like the [deleted] to face up to their real relationships with Israel, and it is something we have to work on.

Sure they have risks. But if we come into the Persian Gulf and do what we have for the [deleted] and the other countries in the area, I would just like to see us be a little bit tougher.

When I have occasion to visit with President Mubarek, for example, as I did earlier this year, I press him to meet with Shamir, I press him to improve and expand trade relations.

We are a major supporter of Egypt as well as Israel. So that I think we all just have to work on it all the time and press those countries, those governments, to face up to the facts, and especially in the context of a question like the [deleted] where we did as much as we did for them and are doing for them in the Persian Gulf.

General **Schwarzkopf**. Senator, I agree with you 100 percent, and I want to assure you—I do not want you to think for one minute that I do not tell them the same thing, because I do.

Senator **Specter**. I think that we have to keep that pressure on. Thank you very much, General. Thank you, Mr. Chairman.

Senator **Inouye**. Thank you very much.

STOCKPILING

Following up on my last question, are you confident of long-term arrangements for stockpiling that are now being established in the region?

General **Schwarzkopf**. For the most part, yes, sir. We have a long way to go in prepositioning, but there are many places that I would like to have prepositioning that I do not have right now. There are some countries, quite frankly, that just have not granted us the access, and again it is on the same basis that we have been discussing right here. They do not want to be identified as being too closely tied with the United States, and they are afraid, if U.S. war materiel is being placed on their territory, that they will be too closely identified.

[Deleted.]

SUPPORT AND FACILITIES NEEDED

Senator INOUYE. What support and facilities do you need most to improve your capability in your command?

General SCHWARZKOPF. Probably the No. 1 thing that I need is a good communications network. We are well on our way to establishing that communications network. We started that program. Part of it came in in 1987 and another part of it came in in 1988.

Senator INOUYE. Is this in the present fiscal year request?

General SCHWARZKOPF. It is, sir; it is in the service program.

Senator INOUYE. Is the amount requested sufficient?

General SCHWARZKOPF. Yes, sir; it is sufficient and it is within the program. That is, of course, one of my No. 1 concerns.

No. 2, I would say that I am concerned about the airlift and sealift policy. The airlift problem, I think, is doable right now. If the C-17 comes in on schedule, then I think the airlift problem has been largely answered.

The sealift problem, on the other hand, is just a disaster. And unless, to my mind, we get more ships out there, it is going to take a very, very long time for my forces to get to the area. And as you know, over 90 percent of my forces come by sea. So that is an area that I think we need to do something about, and I think it needs to be a very high priority.

RELATIONSHIP WITH CINCTRANS

Senator INOUYE. How do you get along with CINCTRANS?

General SCHWARZKOPF. How do I get along with CINCTRANS? Just great, sir; he and I are very good friends.

Senator INOUYE. I ask these questions because I gather that, in the event that we get involved in a conflict in that area, [deleted]. Is that correct?

General SCHWARZKOPF. No doubt about that, Senator. I am an economy of force theater.

Senator INOUYE. Then what do you do in that event?

General SCHWARZKOPF. What do I do, sir? I do the best I can with the very limited resources I am going to have.

[Deleted.]

FUTURE TRANSIT IN THE GULF

Senator INOUYE. During the discussion of the Persian Gulf escort mission, much time was spent on the question, what are our allies doing toward this end? What is Japan doing, what is England doing?

As we now decline this mission, do you see any continuing role for the military forces of other western nations in preserving safe transit in that region?

General **SCHWARZKOPF**. Absolutely. I think the allies may have gotten a bum rap, sir, during part of the gulf operations, because we tended to look at numbers, rather than what their proportionate contribution was. So just for the record, if you look at the number of ships that some of these nations had available compared to the number that they had out there in the gulf, the contribution was rather significant.

For instance, Italy is 20 percent, Belgium is 16.6 percent, France is 8.6, The Netherlands was 7.7, and Britain and the United States were 7.3. So their proportionate participation during the height of the gulf operations was pretty good.

Now, of course, what has happened is Italy, Belgium, and The Netherlands have all gone home and Britain and France and the United States are who is left there. And this week the Brits have pulled their minesweepers out of the gulf, but they are leaving a [deleted] force behind. [Deleted.]

Senator **INOUYE**. But you have now the only ships to sweep the mines?

General **SCHWARZKOPF**. No, the [deleted].

MINES

Senator **INOUYE**. Do we still have mines out there?

General **SCHWARZKOPF**. Oh, yes, sir.

Senator **INOUYE**. About how many?

General **SCHWARZKOPF**. I wish I knew, sir, [deleted].

Senator **INOUYE**. You know, we have been told that there are [deleted].

General **SCHWARZKOPF**. Oh, I believe that easily. I think there are probably a lot more than that.

[Deleted.]

COORDINATION OF MISSIONS

Senator **INOUYE**. How did you coordinate the missions between our forces and allied naval units?

General **SCHWARZKOPF**. What they did, Senator, was [deleted]. We have very good working relations with the Brits and the French.

Senator **INOUYE**. Did any of our allies refuse any requests that you may have made?

General **SCHWARZKOPF**. Not that I know of, Senator, not that I know of at all.

Senator **INOUYE**. Are you satisfied with the cooperation?

General **SCHWARZKOPF**. Very satisfied in every area but security assistance, Senator.

Senator **INOUYE**. Do you think that there was a fair distribution of the burden shared by all?

General **SCHWARZKOPF**. No, I cannot say that, because, of course, in addition to the minesweeping fleets, you know, we had a large combatant force out there, and we had a large amount of the Air Force committed out there, and the other nations did not have that. So I would certainly have to say that the United States did the lion's share. But we were not over there by ourselves.

JAPAN

Senator **Inouye**. One of the major beneficiaries of this escort mission was Japan. What contributions did Japan make?

General **Schwarzkopf**. As you know, Senator, Japan cannot make a military contribution outside of its defensive territorial waters. But what the Japanese did do is they are in the process of fully funding a precise navigational system that is going to be established in the gulf. One of the problems that they had out there in the gulf was, [deleted].

Senator **Inouye**. You said they are in the process?

General **Schwarzkopf**. Yes, sir.

Senator **Inouye**. Are you suggesting that they have not contributed anything up to this point?

General **Schwarzkopf**. Oh, no; they have already contributed $5 million, as I understand. [Deleted.]

Part of the problem they are having, Senator, is the same one we alluded to before, and that is coming to agreements with the various countries. They have to come to a separate agreement with every single country all the way down the gulf on how they are going to put these things in.

Senator **Inouye**. Is that the total contribution of Japan, $5 million?

General **Schwarzkopf**. That is the total direct contribution. Of course, there has been a lot of other contributions in the way of humanitarian programs, hospital buildings, and that sort of thing, but none of them, none of them, of course, that the Japanese are willing to directly relate to the war effort, as is their propensity.

Senator **Inouye**. What was the cost of our involvement?

General **Schwarzkopf**. The total cost to us was $228.6 million through January 1989. That is an estimate.

Senator **Inouye**. $228 million. How much of that oil do we consume?

General **Schwarzkopf**. How much of that oil do we consume? About 20 percent of the U.S. imports, about 9 percent of the total U.S. consumption, comes from that area.

Senator **Inouye**. The oil in that area represents what percentage of the Japanese consumption?

General **Schwarzkopf**. Of the Japanese, 57 percent; 90 percent for Turkey, 44 percent for Italy, 28 percent for France, 10 percent for the U.K., and 7 percent for West Germany.

Senator **Inouye**. Have we made suggestions to the Japanese that they participate more fully?

General **Schwarzkopf**. Senator, I have not. I really cannot tell you whether somebody has. I certainly have not.

TRANSPORTATION

Senator **Inouye**. Your area of responsibility is marked by great insufficiency of suitable port facilities and air fields. How does this constrain the transport of equipment and personnel to your command?

General **Schwarzkopf**. There actually are a lot of port facilities over there, smaller port facilities. There are a lot of air fields in the area.

The problem is that in many of these areas the water is not very deep. Therefore, there is the necessity to take the equipment from the ships and bring it in over the shore in many of these areas, because of the undeveloped nature of the ports.

So one of the projects, as you know, that we have to depend upon is the logistics over the shore project, where we are developing the materiels that will be able to bring that stuff in through there.

Senator **Inouye**. I have many other questions, General, but I will submit them for you for your consideration.

REST AND RECREATION

Senator **Inouye**. I would like to ask one final question for the record. I have received several letters from men who have served or who are now presently serving out there, complaining about R&R. What is available to our men out there?

General **Schwarzkopf**. Not much, Senator, not much that they would like to go to. We do bring them into Bahrain for shore leave. This is for the people that are over there for a considerable amount of time. We do take the ships in for port visits.

As a matter of fact, we have the *Constellation* that is due to go into Pakistan tomorrow if all stays quiet over there, into Karachi, and they will have a port visit in Karachi.

We do take the ships at sea down to Diego Garcia, but again there is not much there. [Deleted.]

But I think it is fair to say most that go out there in part of the Joint Task Force Middle East, are there on a temporary duty status. So they go for a 4- to 6-month period and then come home, and, of course, that is sort of the breaking point on whether you go on R&R or you do not.

The simple fact of the matter, Senator, is there is not a lot of places over there I think where the sailors would like to go on shore leave. And, of course, there is not a lot for them to do once they get there, and that is one of the reasons why they have that problem.

Senator **Inouye**. Are the laws of Islamic abstinence applied to our men and women when they are on shore leave in Moslem countries?

General **Schwarzkopf**. It depends upon which country. You know, Bahrain is wide open. There is a causeway between Saudi Arabia and Bahrain, and on Friday night it is absolutely loaded with people from Saudi Arabia coming over to Bahrain, because they cannot do anything in Saudi Arabia and they can do it all in Bahrain. And that is one of the reasons why they come over.

So if the troops are in Bahrain, of course, there are no restrictions. But if they are in Saudi Arabia, on the other hand, absolutely there are no bars, there is no alcohol allowed to be brought into the country, and there is very, very rigid enforcement for anyone who is involved in any way in a drinking offense.

Senator **Inouye**. Is that applied in Pakistan also?

General **Schwarzkopf**. Pakistan is not as rigid. You find in Pakistan that alcoholic consumption is understood. Some Pakistanis have no objection. They do not consume it themselves, but they have no objection to it being consumed in their presence. And others are very much against it.

Senator **Inouye**. Are attempts being made to improve R&R for our men?

General **Schwarzkopf**. Certainly.

Senator **Inouye**. After all, they have the highest risks so far.

General **Schwarzkopf**. Yes, absolutely, sir.

Senator **Inouye**. What sort of plans do you have?

General **Schwarzkopf**. Sir, I cannot address that directly. I would have to come up and give that to you for the record later.

[The information follows:]

REST AND RECUPERATION PROGRAMS

Rest and recuperation programs for service members serving under the Joint Task Force, Middle East [JTFME] are varied and designed to meet the diversified needs of units in the Persian Gulf and Gulf of Oman.

Ships deployed within the Persian Gulf normally are scheduled for one or two port visits to Bahrain, or Dubai in the United Arab Emirates during their four and one half month deployment. Access to these ports vary with mission requirements. When in port, service members are granted leave and liberty consistent with mission requirements. The Administrative support Unit, Bahrain (ASU Bahrain) provides a wide range of activities to support the morale, welfare and recreation of personnel while ashore. Activities include a recreation center with bowling, swimming, basketball, racquetball, and weightlifting programs. Competitive activities and tournaments are scheduled to promote maximum involvement. Special events and tours are scheduled in Bahrain for service members and are coordinated to meet the fleet's schedule.

The city of Manama, Bahrain is an adequate liberty port that offers a variety of options for service members—good hotels, restaurants, entertainment, and shopping are available.

Ships deployed with the Carrier Battle Group (CBG) in the Gulf of Oman have one Port visit during the four and one-half months on station. Consistent with operational conditions, the port call location may be Pakistan, Kenya or Australia.

Numerous USO sponsored tours have performed in the Persian Gulf and Gulf of Oman. Entertainment personalities included the Dallas Cowboy Cheerleaders, The Pearl Bailey Show, The Frankie Lee Band, and the Bob Hope Show.

The Administrative Support Unit, Bahrain provides an innovative and ambitious program to support the fleet. In fact, ASU, Bahrain was recognized by the Navy Department for the outstanding 1988 MWR Holiday Program.

For personnel permanently assigned in the Persian Gulf area, Environmental and Morale Leave (EML) permits some relief from the rigors and stress of the Persian Gulf. EML authorizes service members on leave to travel using priority space available seating on Military Airlift Command flights.

Senator **Inouye**. Well, your comments and thoughts this morning have been extremely helpful, and I now look forward to my visit to your area with greater enthusiasm. I look forward to that.

I believe your discussion of the contributions made by some of the friendly nations there have been most reassuring, and it gives me a better understanding of the complexities that you face.

I suppose, like some of our CINC's, you have to be not only a military leader, but a diplomat. I can assure you that your concerns will be borne in mind by this committee as we proceed to review our defense budget. In fact, in about an hour we will be going to the full committee, and one of the matters discussed will be matters of your concern.

As I indicated, I will be submitting questions for the record for your consideration.

With that, I would like to thank you and your associates for joining us this morning. It has been extremely helpful.

Now I would like to call upon Gen. Duane Cassidy, Commander of the U.S. Transportation Command.

General **SCHWARZKOPF**. Senator, could I just add one thing for the record?

Senator **INOUYE**. Please do, sir.

VISIT TO THE GULF

General **SCHWARZKOPF**. I think it is absolutely terrific that you are coming out there to the gulf and you are going to be out on a ship seeing our soldiers and sailors and airmen out there for Easter Sunrise service. And I would just like to publicly acknowledge that I think it is a terrific thing for you to do, and I can tell you that they are going to really enjoy seeing you out there.

Senator **INOUYE**. Well, we decided that we should do that, not for the sake of the committee's work. I do not suppose you can learn too much at an Easter service. But we wanted to by this presence there indicate to the men and women under your command that there are some of us who are not only concerned about their welfare, but we have them in mind all the time.

General **SCHWARZKOPF**. They are doing a great job out there. They are proud of what they are doing. But they also like to know that somebody cares. I just think it is terrific that you are going out there.

Senator **INOUYE**. I thank you, sir.

General **SCHWARZKOPF**. Thank you.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR BYRD

CHAIN OF COMMAND

Question: During the activities in the Persian Gulf, there were, in effect, three changes of the chain of command between the Commanding General of the Central Command (CENTCOM) and his component commander in the area of operations in the Gulf. These changes also involved Pacific Command, Pacific Fleet, and the Middle East Force, prompting reports that operations suffered because CENTCOM was too far removed from the scene of action. Did the recent Persian Gulf experience resolve the questions about the chain of command between the CINCCENT and the component commander in the area of operations?

Answer: While changes were made in the command structure, USCENTCOM continually maintained effective control of its deployed forces. Changes in the command relationships were made in response to the evolving tactical situation and experience gained during the conduct of the EARNEST WILL operation. These changes were developed jointly by the appropriate CINCs and the Chairman, Joint Chiefs of Staff (CJCS) to create the most efficient and effective command arrangement. At the start of the EARNEST WILL operation, the Commander, Middle East Force was the tactical commander. As the situation changed and additional forces from separate services deployed to the Persian Gulf and Gulf of Oman, an on-scene Joint Tactical Command (Joint Task Force, Middle East) was created. As the situation continued to evolve, the Middle East Force and Joint Task Force, Middle East were consolidated. During each stage of this transition, the on-scene tactical command proved its ability to control assigned forces and respond to changing situations.

LOCATION OF FORWARD HEADQUARTERS

Question: Many experts, including former commanders of Central Command, have argued that a forward headquarters should be established in areas of potential operations, such as the Persian Gulf. Diego Garcia is too far to serve that purpose, and the small logistical sites in the Sultanate of Oman do not fill the operational need. Lack of a forward headquarters probably added to the chain of command problems and made it more difficult to coordinate actions with the local governments. Has there been any progress in establishing a forward headquarters for Central Command in the Persian Gulf area, either ashore or afloat?

Answer: It is still desirable to have the U.S. Central Command headquarters in its Area of Responsibility. But with CMEF/JTFME forward in the area to coordinate with local governments and with state of the art communications available, we have proven we can successfully run a high intensity operation from our headquarters in Tampa, Florida. Progress has been made.

(Deleted.)

ACCESS TO LOGISTICAL FACILITIES

Question: The United States needs forward area sites to store heavy and bulky supplies like ammunition and aviation fuel for immediate use at the start of an operation until such things can arrive by surface ships. The Department of Defense has been able to get by without such sites by storing heavy supplies on board ships and at a few locations established soon after President Carter directed the formation of the Rapid Deployment Force in 1979. What progress has the State Department made in getting CENTCOM access to logistical facilities in the areas of potential operations (other than operational headquarters)?

Answer: Both the State Department and the Department of Defense continuously work to gain additional access. Since the formation the Rapid Deployment Force, ashore pre-positioning sites have been located in three countries: warehouses were constructed at three locations in there is (deleted) and warehouses are leased in . In (deleted) support has been enhanced for the Middle East Force to include access to port, airfield and shipyard facilities, as well as warehouse storage. Also in support of our Middle East Force, we have access to drydock facilities in , (deleted) and the use of (deleted). as a transshipment port for our combat stores ships. Both constructed and leased fuel storage facilities are available throughout the region. In addition, future plans call for initiatives to upgrade airfields in (deleted) as well as lease of storage facilities in (deleted).

Question: Is there any chance that the successful completion of the tanker escort operation will open new opportunities to gain access to bases in Saudi Arabia for use as a headquarters or supply storage facility?

Answer: The successes realized during the tanker reflagging and escort operation have greatly contributed to increased acceptance of US armed forces throughout the region and have opened to US Central Command cooperative avenues which were previously unavailable. However, while access agreements exist with several of the countries within US Central Command's area of responsibility, no formal agreement has been reached to locate a US Central Command Headquarters on their sovereign territory. Many countries would find it very difficult to make such an offer which, given regional attitudes, would be charged with both internal and external risk for the host nation. In view of these sensitivities, if a US Central Command headquarters is ever located in the region, it is likely to be small-scaled and have low visibility, whether it is sited in Saudi Arabia or elsewhere. Saudi Arabia has been quite cooperative and supportive in a variety of ways during the reflagging and escort operations. We have every confidence that in the event of any future threat to shared interests Saudi Arabia will again be equally supportive of US efforts.

PERSIAN GULF REGION INCREMENTAL COSTS

Question: (Deleted.)

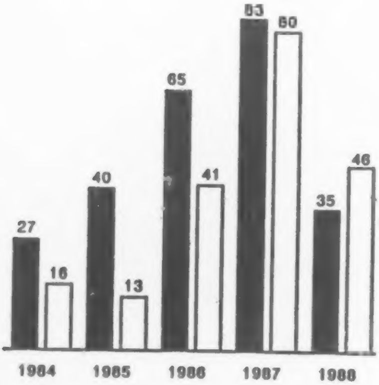
Answer: (Deleted.)

SHIP ATTACKS AND U.S. FORCE LEVELS

Question: CINCCENT's testimony to Congress last year provided data on the number of ships attacked by Iran and Iraq through March 11, 1988 (including the number of ships within each side's total figure that was destroyed or heavily damaged), and on the number of U.S. combatants in the Gulf region through March, 1988. Please update this data through February 1989.

Answer: The Iran-Iraq ceasefire in August 1988 brought to an end the violence of the shipping war. Depicted in the graph below is the cumulative history of the Persian Gulf ship attacks.

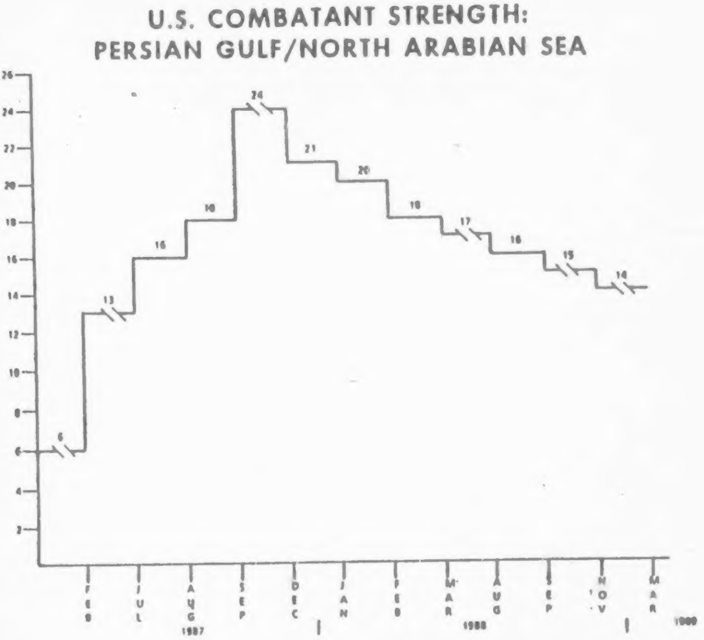
PERSIAN GULF SHIP ATTACKS



TOTAL ATTACKS: 446

	BY IRAQ	BY IRAN
	■	☐
NUMBER OF ATTACKS	250	196
DESTROYED / HEAVILY DAMAGED	58	19

As you can see from the graph below, from March to August 1988, the combatant level remained constant at 17 combatants. With the successful implementation of the cease-fire in August 1988 and the continued decrease in threat in the gulf, we have reduced the level of combatants in the region to 14 (including CJTFME flagship and MSO support ship).


U.S. COMBATANT STRENGTH: PERSIAN GULF/NORTH ARABIAN SEA

MINE WARFARE LESSONS LEARNED

Question: The Navy gained extensive experience in minehunting, minesweeping, and mine countermeasures in the Gulf region in 1987 and 1988. What are the lessons that were learned as a result of this experience?

Answer: The Aggressive Class minesweepers currently in use are old and require extensive support while operating in the Gulf. This highlights the need for the new Avenger Class MCM ship being produced by the Navy.

Question: In general, how have these lessons altered U.S. requirements and budgetary needs for mine warfare?

Answer: (Deleted.)

Continued support for a reliable Remotely Operated Vehicle (ROV) for mine clearing, Mine Countermeasures Ship (MCM-1), and Coastal Mine Hunting Ship (MHC-51) programs is essential.

As a result of experiences in the Persian Gulf in 1987-88, funding support for mine countermeasures and mine hunting ships has been well supported. Currently, 3 MCM ships and 4 MHC ships are funded in the President's FY90/91 budget.

ALLIED & FRIENDLY GULF STATE BURDENSHARING

Question: Now that the formal U.S. escort operation in the Gulf is over, what was the total extent of offsetting contributions by Japan, our European allies, and the friendly Gulf states? For items whose costs can be identified or estimated, please provide a complete accounting of these offsetting contributions by country and type of contribution.

Answer: Although close escorting of US flag vessels was modified to "accompanying" in September 1988 and "monitoring" in December 1988, the US commitment to protect US flag vessels in the Persian Gulf continues and merchant transits are monitored throughout the waterway. This protection policy is based on reduced threats to merchants in the Gulf since the August 1988 cease-fire and requires less effort in terms of cost, personnel, and equipment from the US as well as from our friends and allies.

Our European allies, the Gulf Cooperation Council (GCC) states, and Japan have provided significant offsetting contributions, both quantifiable and nonquantifiable, to U.S. escort operations in the Gulf.

(Deleted.)

QUESTIONS SUBMITTED BY SENATOR BUMPERS

INCREMENTAL COSTS

Question: (Deleted.)

Answer: (Deleted.)

LEVEL OF SHIPS

Question: What is the current level of US ships in the Persian Gulf Region? What was it prior to the reflagging escort operation? Have our allies returned to their pre-crisis ship levels there?

Answer: Currently there are 12 combatants in the region. (Deleted.)

Additional forces inside the Gulf consist of:

CJTFME Flagship	USS LaSalle
Mine Countermeasure Support Ship	USS Peoria
Six MSO's	

Additionally, there are four support ships (ie Oiler, Ammunition Ship, Stores Ship and Tender) assigned to the Indian Ocean carrier battle group.

Prior to the reflagging escort operation, ship levels in the Persian Gulf consisted of the Flagship and five combatants (Flagship and four combatants and one augmenter in the Gulf of Oman). (Deleted.)

With respect to our allies, both France and Great Britain still have higher force levels than pre-87. (Deleted.)

FORCES UNDER CENTCOM

Question: What forces are under your control in CENTCOM?

Answer: Currently there are 12 total combatants in the region supporting CJTFME; (Deleted.)

Additional forces in the area consist of:

(Deleted.)

Additionally there are four support ships assigned to the Indian Ocean carrier battle group. (Oiler, Ammunition Ship, Stores Ship, and Tender)

Outside of the CENTCOM AOR the following component commander headquarters are under control of USCINCCENT.

USNAVCENT	Pearl Harbor, HI
USCENTAF	Shaw AFB, Columbia, SC
USARCENT	Ft. McPherson, Atlanta, GA

UNITED NATIONS/IRAN-IRAQ WAR

Question: Would you agree that the UN played an important role in providing a forum for and facilitating the agreement that ended the hostilities in the Iran-Iraq War?

Answer: Yes, it is unlikely that any organization or a single mediator could have been as effective as the United Nations in seeking a settlement over the years. Only the United Nations could rapidly act to facilitate the move towards peace by initiating talks in Geneva and deploying UN observers to the Iran-Iraq border. Overcoming the mutual mistrust between these countries and then creating an atmosphere conducive to compromise are still the greatest challenges facing the United Nations in its negotiations to resolve the Iran-Iraq conflict. Unless the belligerents find that their best interests lie in working with the United Nations, the organization's role may be limited to that of providing an avenue for talks. Meanwhile, the Secretary General is commended for his persistence in negotiating a ceasefire and should be supported in his continued efforts to transform that ceasefire into a formal and lasting peace agreement.

CHEMICAL THREAT

Question: You rightly call attention to the increased chemical threat in the area. How well-prepared are the forces you control to deal with a chemical attack?

Answer: The forces currently in the AOR are well prepared to deal with a chemical attack.

When a chemical threat in the Persian Gulf area became known, all our forces operating in or directed to the area were fully equipped to deal with this threat, to include complete individual protection, detection, and decontamination capability. This equipping was later extended to include attached civilians. Component commanders also provided chemical defense training for forces and individuals who would be operating in the area.

Intelligence reports and assessments further allowed the on-scene commanders to make appropriate decisions.

(Deleted.)

With the help of strong congressional support, the Services are working aggressively to improve chemical defensive capabilities and establish responsive reporting systems which better assess the NBC defense readiness of forces.

Retaliation against chemical attack is a vital element of our deterrence policy. (Deleted)

SL-7

Question: You speak well of our current SL-7 Fast Sealift Ships on page 46 of your statement. Why shouldn't we be buying more of these ships, which everyone seems to like? If 95% of your materiel, resupply will come by sea, isn't this shortfall even more critical to you than our airlift shortfall?

Answer: Although USCENTCOM does not purchase sealift, we would welcome the construction and purchase of more SL-7 class ships or other Fast Sealift ships. All eight existing SL-7 class ships, originally built for the SEALAND Corporation, were purchased by Naval Sea Systems Command and converted to carry heavy military equipment under the Fast Logistic Ship program. It is also vital to point out that both sealift and airlift are critical. Continued support of the C-17 program substantially alleviates most of our airlift concerns. USCENTCOM requirements exceed all currently available sealift. Planned sealift programs are more than offset by a continuing decline in the U.S. Merchant Fleet.

PAKISTANI C-130 EXPLOSION

Question: Last August we lost Arnold Raphel, our Ambassador to Pakistan and one of our brightest diplomats, when the Pakistani C-130 that he and President Zia were flying in exploded. Do we yet have any clues about how this plane was blown up, and who might have been responsible?

Answer: The US government provided technical assistance to the Government of Pakistan investigative team. The technical investigation performed by Pakistan officials was very professional, thorough and detailed. It should be noted that there are unexplained and unexplainable ambiguities in the technical report which naturally lead to differences in interpretation and conclusion. Different experts, government officials, or outside observers can and will naturally have their own interpretation of technical reports. The US Government is unable to make a definitive judgement and therefore is not questioning the report. However, we at Central Command understand that no serious, specific leads supported by plausible evidence have yet been developed in the case and we are not confident that a report on any further investigation by the Pakistan Government will ever be issued. In the technical report sabotage was listed as the most probable cause of the crash because of the absence, and I must repeat absence of information which would enable investigators to prove that mechanical failure did cause the crash.

If any further information has been developed by the Government of Pakistan Investigative Team, it is up to the Government of Pakistan to release such information to the US.

Senator INOUYE. General, you appear before the committee this morning following three of the primary regional CINC's. We have had the ones from Europe, the Pacific, and today the Central Command. One common thread has run through all of their testimony—their very great dependence on airlift and sealift to support their missions.

The creation of the Transportation Command placed the responsibility for meeting wartime lift needs of regional commanders worldwide squarely in your hands. As we have learned over the past few weeks, that is a very critical responsibility.

General Schwarzkopf indicated his concerns on airlift and sealift. We look forward to receiving your thoughts this morning on the status of our Nation's lift assets and your assessment of the requirements for airlift and sealift now and in the future.

The members of this committee have demonstrated a great interest in the status of our Nation's sealift capability, as well as our new airlift programs, such as the C–17.

May I assure you that your full statement has been made part of the full record and we have shared the statement with members.

Does any of your testimony require closed session?

General CASSIDY. It does not, sir, unless some of the specific questions that you may ask me to address would get into that, and I will be cautious with that. If you would prefer to keep it open, that would be fine with me, and those questions that are classified, I will just submit the specific numbers for the record in a classified way.

OPEN SESSION

Senator INOUYE. With that understanding, without objection the hearing will now be open.

(Whereupon, at 10:10 a.m., the subcommittee proceeded in open session.)

OPEN SESSION

The subcommittee resumed in open session at 10:10 a.m. in room SD-138, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

DEPARTMENT OF DEFENSE

U.S. TRANSPORTATION COMMAND

STATEMENT OF GEN. DUANE H. CASSIDY, USAF, COMMANDER IN CHIEF, U.S. TRANSPORTATION COMMAND

Senator **INOUYE**. Please proceed, sir.

General **CASSIDY**. Senator, it is my great pleasure to appear before you this morning, and that is very sincere. I have not had the opportunity to meet the distinguished Senator who now chairs this subcommittee, and it is my pleasure to be in your presence, sir.

If I may add one gratuitous comment to General Schwarzkopf's last comment about your trip to his theater, I, too, encourage and appreciate your doing that sort of thing and would remind the Senator that you will be traveling on a Military Airlift Command airplane, and we will be very pleased to serve you well as you travel there and back.

I would like to introduce to you, if I could, the U.S. Transportation Command, since this is the first opportunity for me as the first CINC of Transportation Command to address this committee. So if you will permit me just a few moments for a very short preface to some of the questions that you might have, I would like to give you a few of my comments.

RELIABLE TRANSPORTATION SYSTEM

First and foremost, I say unequivocally that a reliable transportation system is absolutely essential to our Nation's defense. I certainly do not need to tell anyone in this room that, but I do want to make that a matter for the record. And I become more convinced of that every day as I see the world changing and as I see our posture changing around that world.

The transportation system is the key to everything this country does, economically, politically, or militarily. There is nothing any of us can do without some dependence upon transportation. We tend to take it for granted. And I believe we have done so in the Department of Defense until just about 1½ years ago, when the President directed that we put together this U.S. Transportation Command, and indeed, put together those parts of the transportation system that were working quite well on their own, but to bring them together in a coalition of transportation which together would be stronger than they were individually.

I think history bears this out. From the early pioneer days to the conquest of space, transportation advances have made an indelible mark on nearly everything we have done. And as I said, I believe we tend to take it for granted.

I realize more every day, in fact, that transportation is the common denominator of all the CINC's and, as a matter of fact, all departments of our Government, as they tend to become more a part, an integral part, more a leader, in this global world that we are a part of.

I believe if we are to dominate the international marketplace—and I believe as the world's largest trading nation, and as the world's largest market, we must—we cannot do that without transportation. We must also dominate the transportation industry.

It logically follows then, if we are to lead the international marketplace, our industry, I believe, can automatically guarantee our country with sufficient transportation for any defense emergency or contingency if we manage it correctly, and if we incentivize the industry that we are so dependent upon every day in peacetime and wartime for defense needs.

The ultimate payoff then to all of that, is success in implementing our national strategy of forward defense. Simply put, our objective is and, I believe always will be, to fight if we must, outside this country's borders.

The alternative to fighting somewhere other than outside of our borders is simply unacceptable, certainly to me, and I think to the public at large.

Lessened tensions with the Soviets, as welcomed as they are, will not change our basic strategy. Any overseas troop adjustment because of budgetary constraints will only further strain the several elements of the transportation mobility equation.

MOBILITY EQUATION

Those elements of the mobility equation are prepositioning, sealift, and airlift. On October 1, 1988, the U.S. Transportation Command assumed operational command of the three sets of assets used for sealift, airlift, and ground transportation. Those assets are operated by our three component commands: the Military Sealift Command, the Military Airlift Command, and the Military Traffic Management Command.

We were created out of need. We were created not to fix the components that were, in fact, doing quite well themselves. We were put together to coalesce the components into something bigger and better.

The Transportation Command is unique in many ways and, since this is, as I mentioned, my first appearance, let me just say a couple things about the uniqueness. All of the CINC's are unique in their own way. That is nothing new for you to hear, Mr. Chairman.

TRANSPORTATION COMMAND MISSION

But I believe there are a couple of things different about the Transportation Command worth mentioning. First of all, it is a functional command. It does not have a geographic location or a geographic focus at all. As a matter of fact, it has just the opposite, a worldwide focus, and has the job to support all the CINC's that have appeared and will appear before you.

We need the support of those CINC's and they need us. I jokingly kid them that certainly the U.S. Transportation Command will not fight any battle by itself, but none of my fellow CINC's will fight without us, so we are in this thing together.

We also have a very unique relationship with the civilian community, and the reason for that simply is that we should take advantage and exploit, if you will, in the best sense of the word, the transportation capability of a great country like our own.

The great airlift, the great sealift, and the great ground transportation that exists in the civil sector must, in fact, be used by us, and that is good. As a matter of fact, 70 percent of the lift in wartime will come from the civil sector.

And, therefore, when I worry about readiness, I worry about not just those things that are assigned to me in an organic sense, but I worry about the entire industry of transportation. And, therefore, I view every dollar spent in peacetime transportation for the military, for the Department of Defense, as a matter of fact for our Government, I view every dollar spent as having a readiness component; and, therefore, I must spend those dollars correctly and make sure that I use those people who bring the most to the transportation table with them, because by doing that I avoid spending taxpayer dollars which can be much better spent in other areas.

I also have a great, great dependence on Reserve forces. I would say to you here that about 85 percent of my capacity resides somewhere in reserve.

So I am not only an advocate for the commercial sector, I am the biggest advocate for the Reserve forces, as well as those organic forces that are assigned to my three components, MAC, MSC, and the Military Traffic Management Command.

I have indeed then a responsibility that transcends those of a typical military commander, who has his forces assigned to him each day and exercises with them each day. My responsibilities go well beyond that. And frankly, sir, I find it quite exciting to try to bring these many factions together in a team that can serve our country.

The civil transportation sector is indeed a major consideration in anything I look at, and there is good news and bad news in that. The good news in the civil sector is certainly the thriving aviation industry. Its opportunities to expand the scope of our Civil Reserve Air Fleet enhancement program with the Congress' support are great. We are doing that each day.

We were directed by last year's bill to provide a report for the Congress, which we did, about how we can do more with the Civil Reserve Air Fleet. And we continue and intend to do more with the Civil Reserve Air Fleet.

The surface transportation industry is also doing well. The trucking industry and the rail industry in our country is healthy, strong, vibrant, and competitive and represents the best our country has to offer in good old-fashioned capitalism, and that is good for my capability in wartime.

MARITIME INDUSTRY

On the other hand, the maritime industry is going in the wrong direction. There has been a serious decline in the maritime industry and it concerns me greatly. The readiness of the defense transportation system is my great concern and one of the great portions of that obviously is the maritime industry.

The maritime industry figures that we have seen in the last several years are all going in the wrong direction. We must stop that, and that is one of my major focuses as I become an advocate for the several parts of this equation.

As I mentioned to you, I believe there is a readiness element in every transportation dollar. I intend to spend that dollar correctly and wisely to get the most out of it. But there never will be enough dollars to go around. There simply is an insatiable appetite for lift, for transportation, and I think that will always be the case.

TWO CRITICAL QUESTIONS

Our objective then is to provide an adequate, predictable transportation system to answer two critical questions that each of the CINC's and the National Command Authority will ask of me. No matter what the size of the skirmish, whether it is in peacetime or in a nonmobilized contingency like the Persian Gulf, which you just discussed with General Schwarzkopf; whether it is something in Grenada, which is history; whether it is an Israeli conflict, no matter what it is; or if it is an all-out war, I will need to answer two basic questions:

Can we get what you need there? And if the answer to that is yes, then the next question is, how long will it take us to get it there? Those answers are needed so those CINC's then can plan their battle, or indeed plan their holding action, or indeed plan their diplomacy if we cannot get it there in time.

With that overview, let me just mention a couple of things that are concerns to me, concerns not because they are going bad, but concerns because I realize that to do my job these are absolutely critical.

QUALITY OF PEOPLE

My first concern is people, the quality of people we have. And when you take your trip out to the Central Command area—and I would offer, Senator, although I do not have a theater for you to visit, I certainly would love to have you visit any of my installations or my headquarters. I think it would be interesting and exciting for you to see how we manage these several resources—commercial, civilian, and military—together, and how we orchestrate that. And I call it a grand orchestration. We do it with some very high tech equipment and some very capable people.

So I would hope that you could spend some time with us some time in your trips to and from your own home State.

Our people are simply the heart of the war-fighting capability. There is no substitute for them. We have had none better, and by every measure of merit the military people that serve our country today are the best we have ever had.

Lots of reasons for that, and I do not need to enumerate them to you. I just urge you to make sure that in the arena and the era that we see ourselves heading, in an era of rather level defense spending, which appears to be what is in store for us, I would hope that the gains that we have made in our people programs can be kept.

We saw the contrary to that in the late seventies and it is simply unacceptable to have a force that is not capable and vibrant and well-trained. Whatever size force you want us to have, we need to make sure that it is the best force you have ever had.

PILOT RETENTION PROBLEM

Our enlisted force is strong and healthy. I guess my major concern and my biggest problem is pilot retention. I am sure you have heard of that.

It is particularly acute to me because the type of airplanes that I fly in my Command are the large airplanes. Our pilots fly worldwide every day. When I left the command center at the Military Airlift Command this morning, we had air crew members in 32 different countries, including the Soviet Union.

And, in fact, they are the sorts of pilots that the airlines just love to have, because they can put them to work right away. They are well-disciplined, they are competent, capable, and well-trained people.

The loss of even one pilot costs the Nation a great deal, so we should focus, I believe, a good bit of attention on trying to solve that problem. It is a national problem. It is an international problem. In fact, my colleagues in the several other air forces around the world that I have talked to—Australia, New Zealand, Portugal, England—all are having the same problem of a drain on pilots because of the great growth in the airline industry.

So I look on that with some mixed emotions. I want a very strong and vibrant commercial airline industry, and at the same time I cannot tolerate it taking my pilots, so we must compete somehow to keep some of them.

We went to an all-volunteer force in the mid-seventies. I think that has been a sound decision and I think it is greatly responsible for the quality of the force we have. I hope we will not try to manage and pay for the all-volunteer force on a conscript budget, because it simply will not work.

MOBILITY TRIAD

The three elements of the mobility triad which I mentioned briefly up front are airlift, sealift, and prepositioning. Airlift simply is so important early on, the value added by airlift very early is vital to our entire strategy which is based upon very, very quick resupply and deployment by air in the early stages.

The entire prepositioning notion itself, depends upon the early arrival of troops and whatever shortages there are in that prepositioned equipment, so that the troops can use that equipment and fight quickly. That notion is directly and terribly dependent upon airlift.

On the other hand, sealift, which comes along later, will indeed carry the bulk of the lift. So there is a value to each of them that is different in different times of the conflict.

I guess my best example of that, to make the point, is the Israeli airlift in 1973. In fact, sealift took most of the tonnage, but airlift saved Israel and sealift rebuilt Israel. And that is simply because of the value of different times, the different kind of lift that was used.

Going into sealift, the SS *Kodiak*, which was launched on November 9, 1987, was the last commercial large oceangoing ship under U.S. construction. The fact is that we are building no commercial maritime ships in this country at all now for the first time for many, many years.

SHORTAGE OF U.S. SHIPS

U.S. ships are only carrying about 4 percent of our country's foreign trade, and I think that is incredible, since we indeed are the world's largest trading nation. This Nation's power is its economic strength. What has happened to our maritime industry, I think, is a national tragedy, and I think we must turn it around.

And I think the U.S. Transportation Command has a responsibility to the American people to be the impetus for some of that, because we need the maritime industry, the fourth arm of defense, in time of national emergency for deployment and redeployment of our forces.

All quarters agree, I believe, the Navy leadership, the industry leaders, shipbuilders, ship operators, and unions, that the maritime industry is headed in the wrong direction and we must change it somehow.

When over 90 percent of our war materiel moved to Korea and Vietnam by sea and future conflicts bode the same thing, I am greatly concerned. It is a readiness issue with me and I am working it hard.

There have been lots of studies that support that. The most recent study is by the President's Commission on Merchant Marine and Defense. It very well documents the problem, and I think we must take that on collectively.

Completely healing the wound I believe that is out there in the maritime industry will come from rebuilding a very viable and a very competitive maritime industry; one that in this world can compete in its own way. Until we turn that corner, we must preserve what gains we have made. I need the strong support of you and your colleagues to get that under way.

The one last thing that we do very well, and I believe, we must do even better, is the command and control of what we have. Airlift, for instance, if I may use that as an example, airlift is a precious commodity, and one ounce of airlift wasted is an ounce never regained. And, therefore, we must have a command and control system that in fact uses efficiently every bit of airlift that is available and every bit of sealift, all of the lift that is capable for our use.

Therefore, we have made great strides in our command and control system in the last 3 or 4 years, and we have good plans that are well funded in the years to come. That is the sort of thing that

I would like to show you and any members of the committee if we could convince you to stop by Scott Air Force Base out in the middle of the cornfields of Illinois to see what we are up to and how we manage that force.

The Transportation Command is under a full head of steam, Mr. Chairman. Opportunities abound. There is great opportunity for great strides in this world. We are healthy in some areas, less so in others. I think we have identified them fairly well. We are refining that identification to make sure that we come to you with things that are plausible and useful to you.

I see in the near term an expertly managed, strong mobility system, and in the long term I see it getting better. I am positive about that, but I think you would not want military leaders any other way.

With that, sir, I would gladly answer any questions you might have.

[The statement follows:]

STATEMENT OF GEN. DUANE H. CASSIDY

Mr Chairman and distinguished members of the committee, I appreciate this opportunity to appear before you today and describe to you this nation's newest unified command, the United States Transportation Command.

Since the invention of the wheel, transportation has played a major role for civilization. The discovery of new worlds, the establishment of trade networks, and yes, the rise and fall of nations are directly related to the movement of goods and people. Our own nation's history is highlighted by advances in transportation. The role of sea transportation is obvious in the discovery of our continent. The first Congress of the "new" United States understood that transportation arteries were the nation's lifeline and turned to the Army for surveyors and engineers to build roads and canals. The opening and development of the West was made possible by the establishment of railroads. The invention of the internal combustion engine, the use of steam drawn shipping, the development of modern trucks to replace wagons, and of course, the use of powered flight all have made indelible footprints in the development of the United States as the greatest nation in the world.

Today, the military transportation system is absolutely indispensable to our nation's strategy of forward defense. That strategy which calls for the prosecution of any conflict away from the shores of the United States is certainly far superior to the alternative of fighting within our own borders. Even as we observe and welcome the lessening of tensions between the US and the Soviet Union, we do not foresee a major change in that national strategy. Any adjustment in US conventional forces overseas would only serve to make more demands on transportation than there are today.

The lift equation includes air, land, and sea transportation and a command and control system to ensure these assets are used effectively. The idea of a unified transportation command to integrate these major lift elements is not new. A Presidential Commission recommended that unification as early as 1949. The establishment of the Joint Deployment Agency (JDA) in 1979 was the next major recognition for the need for a consolidated, coordinated effort for strategic mobility. The JDA was created as a direct result of the many problems identified in 1978 during the first government-wide mobilization exercise. However, JDA was only given coordinating authority and the need for a unified command for air, land, and sea transportation still persisted. In response to the President's direction to establish a unified transportation command, the Chairman of the Joint Chiefs of Staff, Admiral Crowe, set up a task force and developed the concept and implementation plan for the activation of the United States Transportation Command. On 1 October 1987, the United States Transportation Command (USTRANSCOM) was activated and I assumed operational command of component forces one year later, on 1 October 1988. Our three component commands are: The Military Airlift Command (MAC), Military Sealift Command (MSC), and Military Traffic Management Command (MTMC). The Military Airlift Command, the largest of the components, is responsible for all global airlift operations. MAC has close to 92,000 active duty military and civilian personnel. When fully mobilized, MAC would gain another 22,000 Air National Guard and 46,000 Air Force Reserve personnel. The Military Sealift Command provides common-user shipping for DOD and has 7000 active duty military and civilian personnel, as well as over 2,200 Merchant Mariners under contract in peacetime, for a total of over 9,000 personnel in peacetime. When fully mobilized, MSC would gain an additional 2,300 men and women from the units in the Reserve Forces. Military Traffic Management Command manages all common-user ports, intermodal movements, and CONUS land transportation. MTMC has 4,000 military and civilian personnel in peacetime and when fully mobilized, would gain over 4,400 Army Reserve personnel. In total, USTRANSCOM has over 107,000 men and women during peacetime and when fully mobilized we would add approximately 70,000 from the Reserves and National Guard.

As the first Commander in Chief of the United States Transportation Command, and since this is my first appearance before your Committee, I will begin by providing you some information on our mission and forces and by pointing out some of the unique features of our Command. The mission of the United States

Transportation Command is to provide global air, land, and sea transportation to deploy, employ, and sustain US forces worldwide. Therein lies the first unique feature of the Command.

We are a functional unified command rather than a regional command. We provide vital support to all theaters and all CINCs. You have already heard from General Galvin, Admiral Hardisty, and General Schwarzkopf and each of them has spoken of the critical need for adequate lift to accomplish their regional mission.

Additionally, I am vitally interested in the readiness of three distinct elements; the civil sector, reserve forces, and active duty personnel. All three, in balance, are absolutely essential to the performance of the transportation mission. First, USTRANSCOM has a unique relationship with the civilian community (Figure 1). We depend on the civil sector for over 70 percent of the nation's strategic lift capability during wartime. This is by design of course, but it presents some real challenges. In wartime the US Civil Reserve Air Fleet, comprised of civil air carriers, would provide about 50 percent of all airlift (24 percent cargo; 95 percent passenger). The US Merchant Marine will provide more than 75 percent of our sealift capability and the civilian transportation industry will provide close to 80 percent of the truck and rail requirements. The vitality of the civilian transportation industry is absolutely essential to meet strategic mobility requirements. So, when I speak to you about readiness, I must factor in my assessment of our commercial transportation industry -- all elements are simply essential to defense.

I have learned first hand by visiting several elements of our civil transportation industry, that there is good news and some bad news. The good news involves the aviation industry which I am glad to report, is a thriving, profitable business. The major air carriers we deal with provide superb service in airlifting millions of people and tons of cargo for the DOD each year. The bad news surrounds the maritime industry in general. At one time this industry was the pride of this nation, able to produce the ships and equipment needed not only for peace, but for war as well. Today, as a result of many different reasons, this industry is in poor shape and experiencing serious decline. On a more positive note, I am encouraged by management initiatives such as intermodalism and the development of systems to positively control cargo, which are being carried out by nearly all of the major corporations in the industry. Although the civil transportation industry operates outside of the direct control of DOD or USTRANSCOM, we certainly exert a major influence on it. By working jointly with other departments of the government, such as DOT, we can influence the civil transportation policy that supports defense needs. The DOD is the largest single customer of the civil transportation industry, and although we represent a small percentage of the total business, we do have some leverage in negotiating with the commercial industry. The major benefit of relying on the civil industry for a large percentage of our strategic lift capability is the avoidance of a large buildup of military force structure to meet DOD needs.

Next, let's focus on the importance of the total force concept to USTRANSCOM and our dependence on reserve forces. Reserve forces contribute more to lift than any other major mission in DOD. Over 85 percent of this nation's lift capability lies in reserve. From the civil sector, the Civil Reserve Air Fleet (CRAF) for airlift and the Ready Reserve Force (RRF) and National Defense Reserve Fleet (NDRF) for sealift, each provide major portions of our total lift capability.

In addition, military reservists from all Services provide a major portion of our military lift capability. In airlift, where the numbers of military forces are greatest, over half of the personnel are from the Air Reserve Component (ARC), which includes Air Force Reserve and Air National Guard units. This means that about 80 percent of the total passenger and cargo airlift capability is provided by the combined forces of the CRAF and the ARC. Only about 20 percent of the total passenger and cargo wartime airlift capability comes from the active duty Air Force.

COMMERCIAL DEPENDENCY

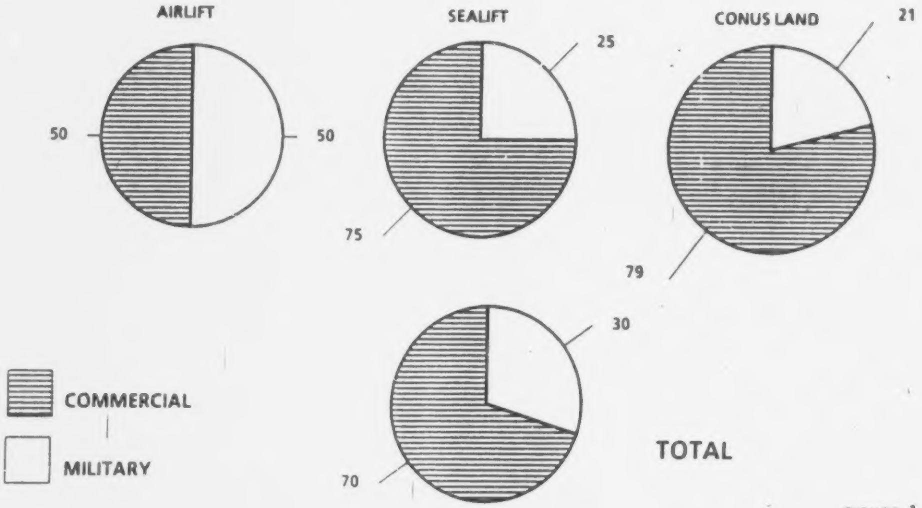


FIGURE 1

We are extremely fortunate to be able to draw so extensively on the civil aviation and maritime industries and our military reserve components for our wartime capability. This is a great advantage to the nation and to us as taxpayers. Our forces in reserve are the most competent this nation has ever had.

Because they are such an important part of our total force, I am also committed to ensuring our military reserve components are adequately manned and equipped with the most modern equipment available. For example, we have developed, in conjunction with our reserve partners, a USAF Airlift Total Force Plan, which calls for an orderly, timed-phased transfer of aircraft to the ARC in conjunction with the C-17 becoming operational. In fact, a portion of the C-17 fleet will roll off the assembly line and directly into ARC units. The Total Force plan was well thought out and developed by our most experienced transporters to carry us to the next century. It considers the need for the transporters of the world to be able to effectively operate throughout the entire spectrum of conflict, from peacetime with high levels of activity, through non-mobilized contingencies, and all the way to general war. It's essential that we stay on this well developed course.

During peacetime, USTRANSCOM's primary emphasis is on planning and integrating total wartime transportation capability. The component commands are primarily responsible for the management of their day-to-day operations. However, the readiness of our components and the defense transportation system as a whole is a major USTRANSCOM concern. This leads to one final unique feature of defense transportation.

There is a readiness element to every DOD dollar spent for transportation in peacetime. If service transportation budgets are reduced, the impact is not simply that they will move less people and equipment. The additional and even more important impact is the real loss of defense transportation system readiness. Transportation system readiness is dependent on its level of exercise. The level of exercise of MAC's flying operations, MSC's steaming operations, and MTMC's directed air, truck, and terminal operations is dependent on service transportation funding levels since those funds are used to pay for transportation operations. In addition, all theater commanders rely heavily on the transportation services provided by the components of USTRANSCOM for their own readiness and flexibility. I will now discuss some of my major concerns and programs that are contained in the FY90 President's Budget currently before your committee.

PEOPLE

In my frequent travels to the component units of USTRANSCOM and to the different military related transportation industries, I have found that quality and enthusiasm of the transportation personnel, both military and civilian, is very high. After each visit, I come away impressed by the patriotism, loyalty, and hard work these people display. It is also apparent that we are relying on high technology more and more. For example, I recently stood on the bridge of one of the largest, most technically advanced ships in the world, a C-10 class container ship owned by American President Lines. This ship was built for a crew of 12 where just a decade ago even a smaller cargo ship would require a crew of 35 or more. These same technological advances are in being throughout transportation. For instance, the C-17 aircraft uses a three man crew in contrast with the C-5 and C-141 which need twice as many crewmembers. In short, modern technological advances result in less manpower but at the same time, require a high quality individual to train and work the new systems. We have this quality of individuals in the military now; they are the foundation of our warfighting and readiness capability. I find, however, that in a nation where the pool of young people is getting smaller, the services have to be able to compete with civilian industry to maintain their current personnel posture. It is imperative that we, you the members of Congress, and I, make every effort possible to protect this all important national resource. To do this, we must make sure that these individuals are compensated equitably and fairly for their labor and sacrifices. The kind of compensation I speak of includes not only pay comparability, but support for those personnel programs that enhance their everyday living style, a small but very important part of the total compensation package.

Our men and women in uniform are well aware of the problem you are struggling with and have been responsive to make the budget cuts these past three years we understand are necessary. Unfortunately, this has meant that these people have had to endure extended oversea duty, instability in the force structure caused by manpower drawdowns and, in general, situations that cause tremendous turbulence. In spite of this turbulence, our enlisted force structure looks very strong and healthy. For example, Air Force retention of first term reenlistments is down slightly from last year, but no trend is indicated at this time, and the second term and career reenlistments are high and stable. However, there are certain career fields representing specific skills that continue to erode. With your continued support for the Enlistment Bonus Program and the Selective Reenlistment Bonus Program, we can insure that these men and women, with these skills, will be available to us in the future.

There exists another critically manned force within the Air Force that may weaken, if not cripple, this nation's warfighting readiness if not checked. I refer to the pilot force and in particular, the Military Airlift Command's pilot force. There is no question in my mind that MAC has the best trained transportation pilots in the world. At this very moment, these pilots and the crews they command are flying missions into the Soviet Union, Greece, Hong Kong, New Zealand, and even to the Antarctic where we resupply American troops and scientists working there. They fly our wounded and dead home; they fly our President and you, the members of our Congress. Quite frequently, you see the major news networks showing a MAC aircraft performing either a military or humanitarian mission much like the recent missions into Armenia to aid the earthquake victims. The pilots flying these missions are the foundation of the military transportation system. The loss of even one costs this nation dearly, not only in financial terms but, more importantly, in readiness. A MAC pilot is expensive because of the complex and demanding missions that he or she may fly. To fully qualify just one C-141 aircraft commander represents an investment of 3.5 million of the taxpayers dollars. Last year 114 C-141 pilots left the service. This represents the loss of close to 400 million dollars. During the past 10 years, MAC has seen the Cumulative Continuation Rate (CCR) for pilots in the 6-11 year group drop to a low of 14 percent in 1979, rise to a high in 1983 of 79 percent, then drop to 34 percent last year. Effective management of a force with that much fluctuation in its retention is nearly impossible. A report by the Air Force Military Personnel Center indicates that commercial airlines will continue to be a significant lure for military pilots. Their survey showed that 85 percent of MAC 6-11 year group pilots who separated were hired or were actively seeking jobs with the airlines.

Over 6600 pilots were hired by the airlines in 1988 and they forecast 6000 hires per year through the mid 1990s. The airlines are not only replacing the thousands of pilots that are retiring, but they are filling additional pilot vacancies created from airline expansion. I support both the aircraft and airline industry as they contribute more to the balance of payments than any other industry. Furthermore, I believe that a certain number of military pilots should gravitate to the airlines. However, we are looking at a retention situation that if not corrected, will leave the Air Force with a critical shortage of pilots in the early 1990s.

This is a long term situation that we must turn around. There is no simple solution because it is a direct result of a national pilot shortage. I believe that the management changes we have made internally and the pilot bonus, Aviation Continuation Pay, will combine to help stem the outgoing flow of these individuals who represent a critical link in our mission capability.

The Air Force has identified several factors that cause pilot dissatisfaction and we have made significant progress in eliminating these irritants. Adjustments to flying schedules to provide more stability, direct involvement of the pilots in their assignments, open communications between the younger officers and management, and emphasizing families are a few of the efforts we have made at the unit level to help make a career in the Air Force more attractive. Last year, you, the Congress, allowed us to take a big step in correcting our immediate concerns by approving funding for the Aviation Continuation Pay program and we are grateful. As of 15 February 1989, 436 out of 818, or 53 percent, of those MAC pilots eligible, signed up for the bonus and committed themselves to extended active duty. The Air Force rate for the same time period is 58 percent but it is far too soon to make predictions on this program's probability of success. The ACP represents a short term partial solution to a long-term problem. I urge the members of Congress to understand this situation and support the current request for ACP funding and any further DOD initiatives that will help resolve this pilot retention problem.

When Congress determined previously that we would be an all volunteer force, we, in effect, committed ourselves to civilian pay comparability. The approval of the FY89 pay raise of 4.1 percent and the increase in Basic Allowance for Quarters (BAQ) was a strong indication that you support our people in the military. Unfortunately, the compensation picture that our members see still falls short of their needs. We in the military find ourselves 10 percent behind the civilian sector based on the latest figures established by the Employment Cost Index (ECI). The cost of living outpaced the raise by 1.2 percent and the realignment of Variable Housing Allowance. (VHA) funds resulted in two out of every three Air Force personnel experiencing a loss in VHA. When these two factors are combined, some members are actually experiencing a decline in take-home pay. I wholeheartedly support the budget's military and civilian pay raise for the next two years. I solicit your understanding of the pay comparability issue and your continued support for the increases in pay these members so deserve.

The pay comparability issue is the heart of the compensation package, but there are other programs which are very important and directly impact on the quality of life of the services' men and women. The Morale, Welfare, and Recreation program has seen funding reductions for the past 12 years. The changes in the last three or four years have been traumatic to our forces. The Petty Officers Clubs and Non-Commissioned Officers Clubs of our services no longer receive full appropriated fund support, even though the esprit de corps fostered by these clubs is still a major objective and an integral part of the military culture. Recently, we have been successful in reorganizing and revising our central DOD funding policy for MWR programs. What we must now revisit is our commitment to appropriating the financial resources necessary to sustain a comprehensive program to meet the mental and physical fitness, as well as the social and recreational needs of our military soldiers.

Another program that we need more than ever is the Family Support Center. This is a great success story in the Military Airlift Command. Currently, MAC has a center at each of its installations. These centers address the quality of life issues by responding to family needs, concerns, and problems at the local level. For example, the centers provide relocation support for families during a change in duty stations; they help families overcome financial, emotional, and other problems caused when they are uprooted and moved. They have programs to teach job-hunting skills and in some cases, help spouses find employment. That these and other locally tailored programs are effective is clear. Our commanders report improved mission readiness, increased retention rates among the enlisted ranks, improved unit morale, and a higher sense of commitment by the family to the Air Force way of life. I solicit your continued support for this essential program.

The Military Construction and the Military Family Housing Programs are indeed as vital to the high morale, welfare, productivity, and retainability of our people as are the previously mentioned quality of life programs. New construction and revitalization of existing facilities such as medical, dental, recreational, and housing are absolutely essential to provide the high standards of excellence commensurate with the quality force we seek to recruit and retain. We need Congressional support of these facility requirements.

We are convinced that the well being of our people and their families is a key ingredient to mission capability and overall readiness. We need to continue to support. develop and operate a comprehensive community health care system that maintains the health and morale of soldiers, seamen, and airmen. I ask for your continued support for the objective of improved access to high quality, affordable health care services for our military families.

We have begun local initiatives to improve access to high quality health care, while increasing management of CHAMPUS program costs. In FY89, Congress provided some flexibility for using a portion of the CHAMPUS budget for innovative health care delivery initiatives designed to provide net CHAMPUS savings. This flexibility increases the options of the local hospital/clinic commander and enhances his/her leverage in negotiating favorable contract services. This flexibility also supports the objectives of maximizing utilization of the direct care system medical facilities. I fully support this flexibility in the use of CHAMPUS resources and encourage Congress to continue support for such programs.

The Congressional initiative to improve medical officers' pay should help retain some physicians who would have otherwise elected to separate. I applaud this. We are critically short in several specialties, and each shortage costs the taxpayer dearly in either increased CHAMPUS outlays or high priced contracts. Unless we revise medical officer compensation on a long term basis, the physician shortage will increase rapidly. Efforts to reduce shortages in selected medical specialties by providing competitive compensation will require continued Congressional support.
Finally, in the area of reimbursement for the many permanent change of station moves that we expect our people to undergo, I appreciate the Congressional support this past year to help defray some of the out of pocket costs associated with these government directed moves. We need your continued support to ensure that none of our people are unduly subjected to financial losses when responding to the needs of the nation.

AIRLIFT

Implementation of our forward defense strategy is dependent on a triad of mobility elements -- airlift, sealift, and prepositioning. Each element of this triad is an indispensable part of the total mobility equation. If one element is weak, the others must pick up the slack if we are to be able to carry out our strategic goals. Each element of the triad has its own mutually exclusive characteristics. Airlift is rapid, responsive, and the most flexible, but it can carry only a small portion of the total requirement. Prepositioning is stable and can be planned well in advance, but it is not at all flexible. Sealift has the greatest total capability, but it is slow and not as flexible as airlift. All three elements at adequate capacity are required to meet our strategic mobility objectives.

The Military Airlift Command's resources are committed to strategic and theater airlift forces. Strategic airlift provides the first deployment step, a bridge of resupply to the theater of conflict. Whether by airland or airdrop, theater airlift provides the mobility and supplies far inland to the fighting forces. It is these two aspects of airlift that we rely upon to support the regional CINCs. Our ability to perform these two missions will be greatly improved with the addition of the C-17 with its strategic, direct delivery, and theater lift capabilities. Additionally, we are aggressively pursuing options to meet the special airlift requirements of the other warfighting CINCs. For example, in the arena of low intensity conflict, we are taking the initiative to satisfy a requirement for a short takeoff and landing (STOL) aircraft with the C-STOL or C-27 aircraft. This aircraft will be a rugged, yet simple and light aircraft capable of using numerous short, unimproved airfields throughout the world. It will transport troops and supplies into areas inaccessible to C-130s and beyond the range of unrefueled helicopters. We ask for your continued support for this program. We must remain responsive to theater CINCs, such as General Woerner and his US Southern Command, who require unique airlift capability to successfully defend our national interests in the low intensity conflict arena.

No matter how much firepower we have, if we can't get supplies and troops to the right place and at the right time, we lose. Timely arrival of supplies is absolutely necessary, there is no substitute for airlift. This fact was highlighted in 1981, when OSD completed the Congressionally Mandated Mobility Study (CMMS), the first study to ever take a comprehensive look at all aspects of our mobility triad, airlift, sealift, and prepositioning. This study proved that our mobility capability was severely lacking and that this lack of capability would seriously handicap our nation's ability to fight and win a war. The CMMS looked at mobility on a global basis and recommended that our airlift fleet be increased by 20 MTM/D over the study baseline. From this study, the fiscally constrained, DOD goal of 66 MTM/D was established and continues to be the airlift capability this nation should pursue in peacetime, and that has been the goal of the administration and Congress together.

MAC's current airlift capability combines active duty forces, Air Force Reserves, Air National Guard, and the Civil Reserve Air Fleet (CRAF) personnel, aircraft, and equipment into a national airlift force. We call upon this force in varying degrees to meet contingency or wartime requirements. We operate the C-5, C-141, and C-130 aircraft in the United States, Europe, the Pacific, and the Far East. In peacetime, we exercise the total system, maintain combat readiness, provide joint training, humanitarian assistance, and as a by-product, provide peacetime airlift for DOD and other government agencies. In wartime, this system surges to provide airlift to any part of the world. The airlift fleet is capable of both strategic and tactical operations. The C-5, KC-10, and C-141 are normally associated with strategic airlift operations, while the C-130 is associated with tactical operations. During a contingency requiring the rapid deployment of our forces, MAC will use the best aircraft, or combination of aircraft, to achieve our objectives.

We are making significant progress toward attaining the 66 MTM/D goal. In 1981, when the CMMS was first published, we had the capability to lift approximately 27 MTM/D. By the end of this fiscal year, our airlift capability will have expanded to almost 46 MTM/D, a 70 percent increase. Looking toward the future, with the C-17 reaching full production, we will embark on a new era in strategic airlift. The C-17 is a modern, low risk airlifter that will allow us to deliver our fighting forces closer to the battlefield, faster and more efficiently than ever before. The C-17 is the critical part of the total airlift picture in that the additional lift capability it will produce allows us to reach the goal of 66 MTM/D.

The support given by this committee and Congress as a whole made 1988 a banner year for the C-17 program. At the most modern aircraft production facility in the world, the Douglas Aircraft Company plant in Long Beach, California, the first of a new generation of airlifters, the C-17, is under production. We completed Critical Design Review in July, 1988, and assembly of the first aircraft began in August. The Department of Defense gave approval for MILESTONE IIIA, low rate initial production this month, and we are pressing ahead to reach an economical production rate of 29 aircraft per year by FY93. Thank you for your support.

The President's Budget before you supports an IOC of FY92. I am relieved to have this capability finally become available to our warfighting CINCs. As these CINCs testify before your committee over the next 2 weeks, I can tell you what they will say -- the nation must have the operational utility offered by this state-of-the-art airlifter. Since the CMMS was published in 1981, part of our national strategy has been to achieve a 66 MTM/D capability. The C-17 enables us to meet that goal with unprecedented flexibility for the theater CINCs. When the first aircraft is delivered to Charleston AFB in FY91, we will take a major step toward meeting our national airlift mobility goal.

The C-17 is not simply the best solution to meet the present and future airlift requirements of the war-fighting CINCs---it is the only solution. The C-17 will provide the capability to project light and heavy combat units, including any outsized equipment the services may have. When needed, it will deliver these units directly to the forward battle area, ready for combat. It will swing from its main strategic role to the theater airlift role to employ and resupply theater forces. The sustainment phase is most critical and this is where the C-17 pays off. It will be capable of moving large quantities of munitions, fuel, and outsized cargo needed by the Army's highly mobile ground and aviation forces directly to the fighting in forward areas. More importantly, the C-17 will lower the manpower requirement and decrease the operation and support costs. It will minimize the life-cycle costs and provide the most affordable solution to the nation's airlift shortfall.

In peacetime, we exercise the airlift system daily. In a low-intensity conflict, we transport the forces that spearhead the attack. During a major war, we provide the fast lift of supplies that could help deter the escalation of war. Airlift is a vital element in both peace and war and we need your continued support for the modernization of both our airlift forces and to maintain the readiness of our current airlift forces.

SEALIFT

Since assuming command of USTRANSCOM, I wear the hat of not only the airman but also the seaman and from the seaman's perspective, a serious national problem exists. I'm referring to the threat to our national security caused by the continuous erosion in our nation's commercial maritime industry. Approximately 75 percent of USTRANSCOM's sealift capability comes from the commercial sector and this number speaks only to bottoms and the number of bottoms continues to shrink as our national oceangoing liner companies fold up their tents. Only six major US liner operators remain engaged in oceangoing trade.

The warfighting impact is even more serious when one understands that the remaining 25 percent of our hulls, although government owned, are manned by commercial merchant seamen. Those seamen comprise a pool of seasoned sailors with a rich tradition of service to national defense who now find their numbers have dwindled 60 percent since 1970 to a current level of 28,000 and are projected to further decline to some 12,000 actively sailing by the turn of the century. Half of the current force is 50 years of age and there are fewer younger people coming forward to replace them since there are fewer berths to which they can be assigned.

I am dismayed by the serious implications of the fact that a nation with our proud maritime heritage, the largest trading nation in the world, now has a merchant marine that carries only 4 percent of our foreign oceangoing trade. The US maritime industry has no commercial oceangoing ships under construction or on order. The last ship launched was the SS Kodiak on 9 November 1987. Frankly, I view the current state of the US maritime industry as a national tragedy. This nation's real might lies in its economic power that underpins its military power. When this economic power has been threatened, we've consistently taken measures to keep it strong in industries ranging from textiles to airlines. Our merchant marine dilemma deserves equal visibility and attention.

I am not alone in my beliefs. In the past two years, I have conferred with Navy leadership, industry leaders in the shipbuilding and ship transportation business, union leaders, and administration officials. Furthermore, I have read and have been briefed on numerous sealift studies and they all agree with the current and potential severity of the problem. Although mobility studies and expert opinion vary substantially on the actual sealift requirement and on our capability to fulfill that requirement, the consensus invariably points to one conclusion -- our commercial maritime fleet and its supporting industrial base are disappearing.

The increased risk to the nation is apparent when viewed in the context of "forward defense" -- the global military strategy of the United States. As I mentioned earlier, implementation of this strategy is dependent on three mobility elements -- airlift, sealift, and prepositioning. We can assemble airlift within hours to rapidly deploy troops and high priority equipment and supplies. Troops airlifted to their destination will marry-up with prepositioned supplies and equipment. That which is not prepositioned, the bulk of the Army's combat power and sustainment supplies, will go by sea. In Korea and Vietnam, this amounted to 97 percent of all war material moved. Admiral Crowe has stated, "In any major overseas deployment, sealift will deliver about 95 percent of all dry cargo and 99 percent of all petroleum products." Therefore, a successful strategy is dependent upon equally strong legs of this mobility triad. For reasons already mentioned, strategic sealift is the critical but now weak link.

To fully understand what a deteriorating merchant marine means to our warfighting capability, some explanation of the strategic sealift mission is necessary. The strategic sealift mission can be generally grouped into two categories: surge shipping after initial mobilization and resupply shipping to sustain our forces in the combat theater. The types of ships required for each mission are strikingly different. Surge shipping needs to be militarily useful to handle the outsized, bulky military unit equipment. Resupply shipping, on the other hand, carries mostly containerized supplies to meet daily consumption and to build reserve stocks. As you will later see, the need for different ship capabilities exacerbates our sealift problem.

Various committees and studies have defined and assessed the decline of the US Flag Fleet. Not only has the merchant marine declined in numbers of ships, but the situation has been worsened by the decline in unit equipment capable military ships. This situation is caused by an economic shift toward larger, non self-sustaining container ships. The most well received study in this area is the Congressionally Mandated Mobility Study (CMMS). Known for establishing airlift requirements, it established sealift requirements as well. This study was the first to determine that more fast sealift is needed to complement the nation's airlift capabilities. It stated that a mechanized Army division requires more than 100,000 tons of cargo for deployment and over 1,000 tons per day for resupply -- an amount too large and too costly to be transported entirely by air. Another study, the 1984 Sealift Study concluded that in a full Southwest Asia deployment, dry cargo lift requirements totaled 800,000 short-tons of unit equipment for surge and 1.7 million short-tons for resupply. The then existing US maritime fleet was judged marginally inadequate based on a projected decline of 15 percent (1.9 million to 1.6 million deadweight tons) in available shipping.

The Commission on Merchant Marine and Defense Study represents the most recent public effort to assess the nation's capability of meeting its strategic sealift needs. The commission, after lengthy research of the maritime industry and military requirements, concluded the United States faces a clear and growing danger to national security due to the rapidly deteriorating condition of the US maritime industry.

They determined that a total of 630 modern cargo ships are required from the US Flag Commercial Fleet, MSC fleet, and the Ready Reserve Force to meet minimum wartime sealift requirements and still provide for adequate domestic economic support. Their estimate assumes the full utilization of the effective US control and Allied shipping pools. With the current downward trend in the industry and even with the anticipated future growth of the RRF (Ready Reserve Force), the commission projects a shortfall of 290 ships by the year 2000. Additionally, they believe a shortage of some 12,000 merchant seamen to man our fleets will exist if no corrective action is taken.

As you can see, the requirements versus capabilities discussions vary from study to study depending on the assumed scenario, availability of effective US control and Allied ships, assumed attrition factors, and the notional ship capacity each study selected as "standard." At this point, defining the exact number of ships sufficient to do the job is not as critical as recognizing and taking action to deal with the erosion of our strategic sealift capability. Every study or assessment of the situation points to the fact that we are heading in the wrong direction.

Fortunately, action to turn things around has already begun in some areas. Thanks to the foresight and commitment of the Navy, 7 billion dollars have been spent on improving strategic sealift capability since 1980. The dominant emphasis of sealift improvements since 1980 has been to increase government owned sealift capacity to offset the declining capacity of the civilian merchant marine. Under DOD sponsorship the RRF has grown to 91 ships, 8 Fast Sealift Ships were acquired, and seasheds and flatracks were procured to enhance the utility of commercial container ships. We estimate that with these government resources and prepositioning shipping, we have the capability to lift approximately 70 percent of Unit Equipment (UE) surge requirement.

With the FY89 budget, funding for the continued expansion and maintenance of the RRF was transferred to the Maritime Administration (MARAD). Although no longer part of the DOD budget, we need to concern ourselves with the funding for the RRF in the Department of Transportation budget. The RRF is extremely important to the wartime surge and resupply equations in our defense plans. A unique element within the RRF also deserves attention and support -- the Navy's Auxiliary Crane Ship (TACS) program. Integral to the strategic mobility equation is the force (Army) capability to receive and discharge cargo in the objective area. The TACS give us this capability by permitting offload of non self-sustaining container ships in an austere or battle damaged port or in-stream. TACS are C-5 and C-6 class container ships with two or three twin boom heavy lift cranes capable of offloading containers of all sizes and even wheeled and tracked vehicles up to M-1 tanks. Six of twelve ships have been completed and are a part of the RRF. The next two ships are scheduled to be delivered this spring, and contracts for conversion of ships #9 and #10 are in final negotiations. MARAD's FY90 budget contains funding for ships #11 and #12.

Another Navy program designed to improve strategic sealift capability was the purchase and conversion of eight SL-7 ships into RO/RO/container rapid response ships. These ships, known as Fast Sealift Ships (FSS), provide us with great versatility. They are magnificent ships, large, fast (30 knots), and readily available on 4-day notice from their East and Gulf coast ports. These vessels form the cornerstone of our strategic surge sealift fleet. We urge full support of the DOD budget line for operation and maintenance of these ships.

Although not under USTRANSCOM's control, we are also supportive of the Navy's Maritime Prepositioning Ships (MPS) -- a total of 13 ships with USMC equipment organized in three forward deployed squadrons of prepositioning ships, one each in the Atlantic, Pacific, and Indian Oceans. Each squadron contains 30 days of prepositioned supplies and equipment capable of supporting a Marine Expeditionary Brigade. The objective is to have the capability of employing a combat capable force in 10 days or less. Airlift will insert the personnel.

A similar program is the MSC-managed commercial charter of 12 ships for the Afloat Prepositioning Force (APF). These vessels give us a response capability in areas like Southwest Asia where lack of host nation support precludes us from prepositioning reinforcement supplies and material.

Finally, several ongoing initiatives in the Navy's Sealift Enhancement Program are designed to increase the military utility of the growing number of commercial containerships I previously alluded to. These enhancements consist of seasheds, flatracks, and universal adapters which will enable 25 container ships to carry unit equipment such as trucks and tanks. Additionally, we're installing cargo delivery systems that permit cargo ships to conduct underway replenishment operations and are purchasing offshore fuel discharge systems and elevated causeways to modernize and streamline ship-to-shore cargo and fuel transfers.

These efforts to strengthen our strategic sealift force are presented in the President's budget before you. However, recognize them as only a bandage to stop the bleeding in our sealift capability. I solicit your support in keeping the bandage fully in place until the wound has time to completely heal. This can only be done through a concerted effort to restore the health to our nation's maritime industry. The health of this industry directly impacts USTRANSCOM's ability to accomplish its mission. This is why I bring this issue before this committee. This is why you see me in the strange role of advocating support for the sealift portion of the Maritime Administrator's budget before this defense forum. I would be happy to do it in any forum because it highlights the national scope of the problem and the national solutions that will be needed to fix it. I further urge you to discuss support for the MARAD budget with your colleagues on other committees, for as former Secretary of Defense Carlucci said in a recent statement before leaving office, "The problem is beyond the ability of the DOD to resolve and clearly requires the cooperation and attention of all appropriate government agencies." Currently, there are no hard and fast solutions to this enormous problem but we know DOD cannot solve it alone. It requires a national resolve led by our new Administration, you the Congress, and the entire maritime industry if we are to make significant improvements in our strategic sealift posture.

The first positive step in that direction would be adoption of a National Sealift Policy. Putting on my airman's hat once again, we've made progress in airlift capability in part because a national airlift policy was adopted. We stated our policy up front and for everyone to see. I believe similar positive results are to be gained if a National Sealift Policy is implemented. Until the time when we can make serious inroads into reversing the negative trends currently experienced and predicted in our maritime industry, I solicit your endorsements of those strategic sealift programs already underway.

COMMAND AND CONTROL SYSTEMS

Command, Control, Communications and Computer Systems (C4S) is extremely important to the success of this command. All the lift capability in the world is of no use if we are unable to direct and control it. Communication and computer systems are the keys to success for the United States Transportation Command. Proper command and control allows us to tie together all three lift elements; air, land, and sea.

As part of our global command and control operations, we rely heavily on satellites for communications plus intelligence, weather, and navigation information. The Soviets have an anti-satellite (ASAT) system that directly threatens those US space systems we now use in peacetime and plan to use in wartime. The Soviets also have the capability to locate our ships using satellites. We may want to deny them that capability during wartime to increase the survivability of our merchant ships. To enhance our national security posture, I strongly support the development of an ASAT system to counter and to deter the Soviet capability.

The rapid advances in communication and computer system technology has produced an explosion of information capability for the commercial transportation industry. The ability to capture and use information has been the cornerstone of the industry's productivity and economic efficiency today. Currently, industry is focusing on total integration of information for intermodal management and tracking of vehicles and cargo A key achievement has been the industry's acceptance of common data standards such as Electronic Data Interchange (EDI). Since the commercial transportation industry provides over 70 percent of the DOD's wartime transportation capability, USTRANSCOM will capitalize on this progress and integrate it with the military transportation capability.

The command's initial development of its Command and Control Master Plan has identified an extensive baseline of systems which provide fragmented support to all echelons of users. USTRANSCOM will capitalize on these existing support systems to provide a "network of systems" commonly known as the "Global Transportation Network." This network will allow any user to access needed transportation information from any other user's systems of data bases. By using this extensive baseline of systems, I expect to keep our command and control systems funding requirements to only that level which is needed to provide this capability.

The nation has waited a long time for the integrated capability that USTRANSCOM will provide in global transportation management. The defense transportation community needs this single, interoperable, user-oriented command and control system to provide varying kinds and amounts of information to decision makers at different levels of responsibility. Your continued support for our command and control systems is requested. USTRANSCOM needs this capability.

CONCLUSION

Mr Chairman, in conclusion, I once more thank you for the opportunity to address your committee on the role and main issues of the United States Transportation Command. I am sure we will be back with further proposals for programs to ensure our nation has a total defense transportation system which completely supports the needs of theater commanders throughout the world. Our plate is full and the challenges are many, but with your support I foresee the total integration of air, land, and sea transportation assets to meet our national security objectives as a reality in the near future.

AVAILABILITY OF CIVILIAN ASSETS

Senator INOUYE. I thank you very much, General Cassidy. I believe I speak for Senator Stevens when I say that this subcommittee will be spending much more time in your area of concern than my predecessors. Senator Stevens and I, for the last decade and a half have served as either chairman or ranking member of the Subcommittee on the Merchant Marine in the Commerce Committee, and the area in which you have expressed your concern is one of great concern to all of us.

You have indicated that, in order to meet your wartime requirements, 70 percent must come from the civil or commercial sector. That is well and good, but do you believe that in the crunch we will be able to depend, that we can fully expect the civil sector to cooperate?

I ask this because you also mentioned the Yom Kippur War, in which you indicated correctly that airlift saved Israel, because I recall during those days when we looked to our merchant marine for lift capability and we found none because our ships were on the high seas and were not available, and then we called upon American citizens who owned ships under foreign registry, and that is the bulk of the shipping.

And when the Arabs indicated that they would consider any company that provided assistance to be unfriendly, I am certain you recall that none of those ships were made available. Therefore, we had to depend upon our military aircraft to carry the emergency goods.

If I recall correctly, a couple of them were buzzed by Egyptian MiG's, and it is fortunate that they were not too accurate. Otherwise I think we would have been involved in the war.

Do you think that we can depend on it?

General CASSIDY. I think you assessed that situation very well, sir. Your memory is accurate. And if I might add one other anecdote to that, in fact we used all organic military airplanes, because some of our partners in the Civil Reserve Air Fleet were uneasy about doing things that some of the Arab nations with whom they did a lot of business would not like. The petropolitics, if you would, was in full swing at that time.

And so you have assessed the situation well. But if I could make my answer in two parts: first, our relationships in airlift; and then second, talk about the sealift end of it.

Our relationship with the commercial airlines, to answer your question specifically, yes, I think they would be available. I do not know all the numbers because it would become terribly situational-dependent. But we, each day, exercise our relationship with the commercial air fleet. This morning I had under my full charter, seven commercial airplanes, one DC-8, some 747's, and a DC-10 or two.

So we do that every day, and these relationships with them are based upon, not law or statute, but they are based upon long-standing agreements and contracts.

Senator INOUYE. But this is peacetime.

General CASSIDY. This is peacetime and wartime, sir. We base that on contracts with them. We have sat down and negotiated with the airlines over the years and have said to them: We have a certain level of business we do in peacetime, and if you will guarantee us your response in wartime and contingencies, then we will give you our peacetime business based upon your contribution.

And that is the arrangement for the Civil Reserve Air Fleet, and the Civil Reserve Air Fleet can be called up in three stages, stage one, two, and three. The numbers of airplanes in each of those stages is dependent upon what contractual arrangements we have been able to make with the air carriers.

So under contract they have agreed to support us. And they have never failed us when we have really been in a crunch in peacetime or wartime. The only wartime examples we have to demonstrate are Korea and Vietnam, but they were heavily involved then and, I believe, would be again if needed.

TIME TO MOBILIZE

Senator INOUYE. How long will it take to fully mobilize the civil transport to meet your requirements? I suppose they have to be converted?

General CASSIDY. Well, the airline industry guarantees me so many airplanes within 48 hours. That is the contract. And some of those I will have in 24 hours or less. Some of them will have to be converted, but most of the airplanes required early would not. They are either pure cargo airplanes or passenger planes.

The biggest need quickly will be for passenger airplanes. We will carry over 92 percent of our passengers in wartime or in nonmobilized peacetime contingencies in a standard commercial 747 for the most part. So I can get a certain number of those airplanes within 24 hours, and then that number builds.

And any of those airplanes that are operating in the MAC system today are available to me on even shorter notice than that. So if I am talking about airlift, I can have the airplanes ready as quickly or before the troops are ready to move.

Sealift is a different equation. Sealift is totally different. None of those same relationships exist with the maritime industry. As a matter of fact, the maritime industry, being much older and much more regulated, has its relationships with the military; and the foundations for those are in laws and statutes. Some of those laws are very old, some of those are outdated.

We need to go back through those and see which ones are outdated, and we need to make some changes.

Senator INOUYE. Do you have any suggestions?

General CASSIDY. Well, the principal law that we operate under now is the Merchant Marine Act of 1936. And as we go through that, we find out that we do have suggestions for change in some cases—lots of things have changed since then. We do need to be able to get our hands on ships quicker and we need to know where they are.

Although we have a good ships' list through the Maritime Administration now, we need to have that kind of data in my data bank. And that is doable and we will do that. We have an architecture for command and control that will provide for doing just that in what we have referred to as a Global Transportation Network.

SEALIFT RESERVE

Senator INOUYE. You said you have an airlift reserve. Do you have any sealift reserve?

General CASSIDY. Well, yes, we do, sir. We have 92 ships in a Ready Reserve Force.

Senator INOUYE. How long will it take to mobilize this?

General CASSIDY. We have those ships on three reserve statuses, 5-, 10-, and 20-day breakout statuses. Sixty-five of those ships are on a 5-day breakout status. We increased that reserve force over the last 8 years.

And that fleet will grow some, assuming that the Maritime Administration's budget is supported. It will grow eventually to somewhere between 135 and 142 ships. Those ships are in several ports around our country. They will be manned by merchant seamen and they are under contract by civil contractors to break them out on those days, in that time phase.

We have practiced several of those. In my judgment, we have not practiced enough though. We need to practice more and we need to guarantee that breakout capability better than we do now, and I intend to do that.

WAR REQUIREMENT

Senator INOUYE. These 92 ships that you speak of make up what percentage of your requirement?

General CASSIDY. A very small percentage. The requirement is in excess of 650 U.S.-controlled ships, so somewhere around one-sixth of it. But they would take care of the immediacy issue that we are always faced with.

Senator INOUYE. Where would you get the remaining five-sixths?

General CASSIDY. The remaining ships would come from two or three different fleets. Many of them, I hope, will come from American flag ships that are now in service with the American liner and tramp industry. There are ships that are under American flag, which are referred to as effective U.S.-controlled ships. I stated that wrong.

They are not under American flag. They are under flags of convenience, but owned by American companies. We call that the effective U.S.-controlled fleet. We would call on those ships as well. I cannot guarantee you that we would get 100 percent of those ships, but I feel certain that some number of those would be available to use.

Then we would also call on our allies, and our allies, as you know, have a very significant fleet, particularly if we are talking about NATO allies, and certainly Korea and Japan as well. Some of that fleet would be available as well to us, although I must say to you, Senator, that the same trends that we are experiencing in our maritime industry, our NATO allies are experiencing as well in their maritime industry. So I too have a concern in that as well.

RELIANCE ON RESERVE FORCES

Senator **Inouye**. Well, before I call upon my distinguished colleague from Alaska, you mentioned that your force relies upon 85 percent in the reserves. How long will it take to mobilize the 85 percent and make it operational?

General **Cassidy**. The 85 percent number that I referred to is in reserve. It is not all "reservists," as you speak of. For instance, the Civil Reserve Air Fleet is in reserve to us.

And once again if I may use airlift as an example, 50 percent of the airlift capacity of the country is in the Civil Reserve Air Fleet. Of the remaining 50 percent, 60 percent is either in the Air Force Reserve or Air National Guard. Those two units, the Air Force Reserve and the Air National Guard, I believe are the most competent Reserve units in the country today.

I believe that because they fly in our system each day, they have very transferrable skills from most of their jobs in private industry to us. Many of our pilots are commercial airline pilots, for instance, or private pilots. So they are very current when they come to us.

Of the President's ability to call up reservists, the early 200,000 man callup, all of our reservists are called up first. In other words, the priority is there on lift and they see that.

So we would have our reservists up within hours, not the total Reserve force. That is not the requirement. But I would guarantee you that we would have some reservists report for duty right along with their active duty counterparts when they found out that they were needed.

We have exercised that in some skirmishes. For instance, we were heavily involved in the Armenian earthquake relief efforts of our country and the first crew into Armenia was an Air National Guard crew from the Jacksonville Air National Guard on a C-141.

So I have great reliance on reservist and—I can state without question that the reservists in my command will respond very, very quickly.

Senator **Inouye**. Senator Stevens.

AIRLIFT/SEALIFT REQUIREMENT

Senator **Stevens**. Thank you, Mr. Chairman.

Good morning, General. Do you have any idea what the percentage is of the military requirements for cargo today? I mean, how much do we send by air versus sealift?

General CASSIDY. I am not sure I understand the question, sir.

Senator STEVENS. How much of the day-to-day cargo of the military is sent by sea?

General CASSIDY. I think it is around 90 percent, sir, but let me refine that number for the record.

Senator STEVENS. Ninety?

General CASSIDY. About 90 percent, yes, sir, by sea. Clearly the bulk of what we do is sent by sea. Ninety-five percent of our passengers travel by air, just the opposite of sealift, by surface transportation.

Senator STEVENS. I had not been aware that that was that high.

General CASSIDY. It is. We characterize our peacetime activities in air-eligible cargo versus non-air-eligible cargo. It depends on the value of that, and then it also depends upon the air line of communication. For instance, our overseas uses developed an airline of communication for repairable parts; where we, in fact, depend upon air resupply rather than build large inventory stocks.

Senator STEVENS. I would be very pleased if you would check that and put it in the record. I want to follow that through. My memory is it is not that high.

[The information follows:]

In fiscal year 1988, 88.3 percent of DOD's worldwide dry cargo moved by surface while the remaining 11.7 percent went by air. In addition, 100 percent of the bulk POL moved by surface.

SEALIFT REBUILDING

Senator STEVENS. You know, I tried to find, with Senator Inouye's partnership, we tried to find, a way to start the rebuilding of ships to assure that you will have sealift in the event of emergency. And in order to try and do that, we had to find a way to utilize them to meet the current demand, not only of the military but of our nation internationally. We proposed the mariner fund concept and actually got the Congress to put up $1.3 billion in 1984 and 1985 to build and charter ships under this plan originally conceived in the Eisenhower administration.

The Department of Defense opposed that in all instances. I cannot remember them ever supporting it. But in that period, we conducted a series of hearings on the Ready Reserve fleet that you have just mentioned here. In my judgment, it turned out to be a phantom fleet.

Some of the ships were at dock and they could not leave until they dredged the channel to get them out of their berth. Others were not manned and had no merchant marine complement ready to man them at all.

Are you telling us now that all those problems have been solved and you can move those ships out in the times you just mentioned?

General CASSIDY. No, I am not, sir. I would not sit here and tell you that all those problems are solved, because I have no assurances myself, and I have some of the same skepticism that you have articulated, because we have not broken that fleet out. We have not seen what it will do.

The Ready Reserve Force was——

TESTING READY RESERVE FORCES

Senator Stevens. Why do we not use it from time to time, is what I am telling you? We tried to even get the Navy to use that fleet from time to time, so that we would know we would have crews. We even tried to see if we could not get Navy Reserve crews that we could call up from time to time and at least test them to see if they would work.

General Cassidy. We do break out some of those ships now. I have been on several of those ships and I believe one is operating right now in support of the Team Spirit exercise in Korea. So we do break out some of them, but we generally break out the same one because they are so useful to us, the roll-on, roll-off style.

Some of the ships we put in that fleet were very old ships out of the old National Defense Reserve Fleet, and I do not have any great confidence that we could get them out quickly.

Senator Stevens. The real reason we do not roll them out is if we rolled them out we would completely destroy the last remaining private cargo ships in the United States. It would take the cargoes that they would carry.

General Cassidy. That is absolutely correct, sir, and that is why we have only broken out the roll-on, roll-off ships, which are military useful because we cannot get that kind of support in the commercial sector.

If we were to break out and do day-to-day peacetime operations with the Ready Reserve Force, we would be in direct competition with the fleet that you just described. I think, sir, that the Ready Reserve Force was a good idea because it was a stopgap measure and stopped the bleeding. I do not believe it is the ultimate solution.

The ultimate solution is the one that you and Senator Inouye were working on, which is to revitalize the commercial maritime industry of our country and capture more of the market share of the world commerce and that which comes into our country. And by doing that, we will provide for national defense.

SHIPPING AGRICULTURAL PRODUCTS

Senator Stevens. At the same time, I find some of my colleagues demanding that we stop shipping agricultural products and other things in American bottoms. I think we have got to find some way to focus this security need on the overall availability of sealift, or one of these days you are going to need them and you are going to find a bunch of rust buckets that will not even start up.

I am really worried about that, and I think Senator Inouye and I have shared that now for 10 years.

Let me shift to the Civil Reserve Air Fleet. Are you familiar with the report that was submitted on January 30 by the Air Force in response to this committee's request in the 1988 bill, concerning the expansion of the CRAF program?

General Cassidy. I am, sir.

PRIORITY CRAF ASSETS

Senator **Stevens**. Are you able to tell us now what you consider to be the highest priority in regard to that report, in regard to the aircraft that you would need?

General **Cassidy**. The sorts of things that I would augment those airplanes with now immediately are—and I would focus my attention on those airplanes that are under construction now, where it is very inexpensive to put things on, and that would be the wiring and the connections and those sorts of things necessary so that in wartime we could plug in secure radios or IFF, which is our transponder systems that the military use.

Senator **Stevens**. We are coming into a new generation of aircraft in my judgment, and it was my thought that we ought to find some way to crank into that new generation of aircraft the features that your people thought would be necessary in the event of emergency. If we do this during production we would not have to face the problem of trying to modify them if we ever had to call them into service.

Now, most of the aircraft under CRAF were not modified during production to meet your needs, as I understand it.

General **Cassidy**. That is correct. Now what we need——

Senator **Stevens**. Let me finish here.

But the problem is that our friends in the airline industry are going to put a big shotgun at my head if the end result of what I have suggested is going to hold up their production line for a few months.

Now, what are we going to do about phasing in some of these modifications as these aircraft come off the line?

General **Cassidy**. I think the first items I have mentioned, the sorts of things like communications, IFF, command and control things, are easily put in and they are easily engineered, and they would not slow any production down at all.

If we were to get into some aircraft needing other things, such as large cargo doors or higher stress floors, that indeed would be a problem, and our solution to that would be to go out to the marketplace, issue a request for proposals, and say: We the military, we the Government, are willing to pay certain amount of moneys to have airplanes modified, and we are also willing to pay to have those airplanes carry around the extra weight that they would have and what would you charge us for doing that?

Now, there are some airlines that will not want any part of that at all. For instance Northwest Airlines, who needs the long legs in the Pacific, they do not want to carry an extra pound. On the other case, maybe PanAm or some of those that operate in the Atlantic where distance is not the problem and weight is not the problem, they will come to us with some offers that will be indeed very economical.

CONTRACT AIRLIFT FOR THE POSTAL SERVICE

Senator **Stevens**. Well, let me ask you this. We just put a whole new fleet under contract to the Postal Service. Were your people involved in the specifications of those planes?

General CASSIDY. We were not. Those are principally domestic airplanes, Senator.

Senator STEVENS. This is first generation, though.

General CASSIDY. Yes.

Senator STEVENS. We expect them to go to another generation, too.

General CASSIDY. If they go into another generation of cargo airplanes, certainly we will be involved in that.

PILOT RETENTION

Senator STEVENS. I do not want to monopolize this, because I see my friends here. I have got one last question and that is on the pilot retention issue. The Marine Corps does not find it necessary to provide any incentives to pilots. They do not have a pilot retention issue.

Can you answer me two questions: Why do you have such a great problem when the Marines do not? And second, is it possible we might meet the pilot retention problem by expanding the utilization of the Air Force Reserve in terms of some actual training concepts similar to what we have done in Panama and Central America generally?

General CASSIDY. I cannot answer the first question, on the Marine Corps, Senator. I have scratched my head on that. I have talked to my colleagues at the four-star level about that, the Chief of Staff of the Air Force, and I have said: Why is it that we have a problem and the Marines do not?

I am not so sure some of it is not because of size, some of it is not because of training. By size I mean they have a much fewer number of pilots. Their recruiting, their accessions, their selection process is different because of that size. They can have a different one, they can tolerate a different one, because of the total numbers that they need.

And they also do not have some of the missions that we have. But those are all feeble answers to a question which I wish I had the answer to, and we are still searching for. And we are looking with our Marine colleagues to see, is there anything, good ideas we can steal from them. Believe me we are.

[The information follows:]

MARINE CORPS PILOT RETENTION

The Marine Corps has enjoyed satisfactory pilot retention since fiscal year 1983 even though our pilot retention rates have been lower than the Air Force's for this period. Our retention rate requirements are lower than the Air Force and the Navy, primarily because the Marine Corps' pilot grade structure requires proportionately fewer majors and lieutenants colonels (field grades) than our sister services. However, current Marine Corps pilot retention trends are lower than desired. Since 1 October 1988, a small shortfall of Marine Corps pilots has slowly developed to the point that we are now short 139 company grade pilots. Although that only equates to about 5 percent of the total company grade pilot requirement, this insidious decline in the pilot inventory is cause for concern, and will result in an increasing shortfall this fiscal year and beyond, unless retention is improved. The Marine Corps has taken personnel management action to guide pilot retention back up to the required rates. However, the extent of control exercised by the Marine Corps over pilot retention is diminishing. At the present retention rates, the short of company grade pilots may increase to 10 percent of their requirement by the end of this fiscal year.

We are feeling some negative backlash effects of the bonuses being paid to pilots from the other branches of the Armed Forces. The Marine Corps is hopeful that we will not need to establish an aviation bonus program next year, but we are keeping our options open to correct the growing pilot shortages in some communities.

DISTRIBUTION OF WORKLOAD

Senator **Stevens**. How about a larger share of what you do given to the Reserve and National Guard?

General **Cassidy**. I think if you look at that issue you have to look at balance. We established the Reserve and the Guard—and by the way, as I mentioned to you, we have the best ready force we have ever had—and that force is designed to be supported by the Active duty force.

In other words, the theory is you come on active duty for 4 or 5 years, serve your time, and then move into the Reserve and fly with the Reserve. The Reserve and Guard then incur no training costs at all, and the Reserve and Guard are full of people who are highly qualified because they are alumni of the Active duty force.

And, therefore, being highly qualified, they require very little training time as compared to the Active duty force, about one-third of the training time.

If you change that equation, then you change the price of the Reserves, you change the entire equation—their ability to recruit, their ability to retain, their ability to retain pilots as well. And they do indeed, as well as we do, have a pilot retention problem, the retention of the right pilots.

So I think there is a very good balance there which we have studied and established. And 60 percent of the pilots in the Military Airlift Command now are in Air Reserve components, and I think we have hit a very good balance in that.

Senator **Stevens**. Thank you very much. We look forward to visiting you out there. We are going to come out and see you one of these days, I hope.

General **Cassidy**. Thank you, Senator Stevens.

Senator **Stevens**. I think we have got to pursue this question of just how ready are your Reserve Forces.

Thank you, Mr. Chairman.

SEALIFT

Senator Johnston [presiding]. General Cassidy, excuse me for being late.

I think this question of sealift is just really coming up on my own radar screen, and maybe that is true of the Congress. And I think we are finding that we have got a huge problem, the dimensions of which I think a lot of us just were not aware of until just recently.

Now, we have got a doctrine of, what is it, 10 in 10. We want to have 10 divisions in Europe in 10 days. And we have got 4 there, so that means 6 additional; is that correct?

Now, we cannot do that. How far do we miss the mark?

General **Cassidy**. The six additional ones, Senator, are generally the six divisions that we had planned to have prepositioned equipment over there for, POMCUS, prepositioned in unit sets, and, therefore, then we would bring the people over to match up with that POMCUS equipment and break it out.

The POMCUS is only about half full. And I will not get specific in numbers since it is an open hearing, but I will give you the specific numbers for the record if you choose. But I think I can deal with it in generalities.

So the problem we are faced with is——

Senator JOHNSTON. Well, they have to take some equipment, though, with them?

General CASSIDY. Yes, sir, there is some equipment that we always have to take, because some equipment we have decided not to put in POMCUS because it is just so expensive to buy two sets. And as you know, POMCUS is really a second set of equipment, which is terribly expensive.

TANKS IN POMCUS

Senator JOHNSTON. We do not put tanks into POMCUS, do we?

General CASSIDY. Oh, yes sir, all the heavy equipment. That is the sort of thing we want in POMCUS. The sort of thing we would not put in POMCUS would be helicopters, because they require a lot of maintenance and they are very expensive, and we need them for training in the States. So we would move a lot of helicopters over.

But tanks, heavy equipment, trucks, big guns, those sorts of things are in POMCUS sets now. And we have spent over $6 billion in POMCUS right now.

Senator JOHNSTON. We have got basically about half of our tanks?

General CASSIDY. We have about half or, let us say, if we could talk about it, three divisions over there. So we have the four that are assigned in Europe, we have the equipment for three divisions. We would move the people over to that.

And then we would have to fill out the shortages that exist in the divisions that are there now and the POMCUS with airlift and sealift. We would take as much as we possibly could with airlift because we would need to get it there quickly because we will move the people over there. And the rest we would have to bring with sealift.

Senator JOHNSTON. All right. Now, you have a shortfall of about 290 ships, or you project that by the year 2000.

General CASSIDY. Yes, sir, the Commission on Merchant Marine and Defense has made that projection.

MERCHANT MARINE SHORTFALL

Senator JOHNSTON. Now, what kind of ships are those?

General CASSIDY. There are two sorts of ships, Senator. One is those kinds of ships that are what we refer to as militarily useful. And particularly in the early days of the conflict, in the early days we need ships that will move UE equipment or the unit equipment of the Army divisions that we are going to move over there. And those are roll-on, roll-off ships, breakbulk ships, not the bulkers, not the oilers or not the container ships, although we do and will use container ships to a great degree.

But the most useful ships to us are the roll-on, roll-off and breakbulk ships.

Senator **Johnston**. Now, to what extent are those useful in regular merchant marine?

General **Cassidy**. They are certainly useful in hauling military cargo. They are becoming less useful all the time because all of our transportation systems worldwide are going to containerization.

So we are now exploring—not just exploring, we are doing some things and making sure that more military equipment is containerized and also that we can devise methods to use these large container ships to move Army equipment.

Some of the things we are doing with that, for instance, is using equipment, that has taken the names of Seasheds and Flatracks, and the Congress has appropriated a considerable amount of money for us to buy that equipment that will be put on container ships so we can use container ships for noncontainerized equipment. We need to do more of that.

Senator **Johnston**. So would you go to the roll-on, roll-off or containers if cost were no object?

General **Cassidy**. Roll-on, roll-off would be our first choice, because we can load them and unload them quicker. But in sustainment, once we get the troops over there, our problem is resupply and sustainment. The container ship is quite efficient for this purpose.

Senator **Johnston**. And containers are more in demand in the civilian trade?

General **Cassidy**. Commercial; yes, sir.

AO JUMBOS

Senator **Johnston**. All right. Now, how about ships like the LSD and similar types? How many of those? You know, that is an invasion ship that you put—the landing craft air cushion vehicle on. And surface effect ships.

General **Cassidy**. Oh, the Navy ships that have on them those landing craft that move troops to and from, that?

Senator **Johnston**. Yes, it is a big ship that has kind of the sides, it is like a catamaran, where in the middle you would pick up your surface effect ship.

General **Cassidy**. We have done some study with surface effect ships. There has been some technological look at that by the Navy and by other countries.

I was on a surface effect ship in Tacoma Harbor. The Port of Tacoma has two fireboats that are surface effect ships, but they are quite small.

There are no large commercial or military operational cargo variants of the surface effect ship. I believe that we need to continue a significant level of R&D effort in larger hull fast sealift technology. I think we have looked at surface effect ships, we have looked at semiplaning monohulls and monohull technology, and we should continue that.

The Japanese are doing it at a great rate, and I believe we should put more money into that and I have expressed my concerns to the U.S. Navy on that issue. I think we should be prepared for that.

However, some of that technology, even if we had developed it today, is many years away, and some of it is terribly expensive. So I do not think we should put all of our eggs into that basket. I think we should capture what we can.

And for the time being, I believe the commercial world is going to different kinds of ships. For instance, I was on—the newest ship in the commercial world in our country today is called a C-10. It is owned by the American President Line.

It is an enormous ship. It will carry 2,100 containers. These are 40-foot long. That ship will go across the Pacific at 23 knots on one diesel engine that operates on very low RPM, 82 RPM. It is an amazing ship. And they can offload it and onload it in 24 hours, so they keep the ship moving all the time.

There is a place for all kinds of ships is what I am saying, Senator. And I do not know what the answer is, nor do my Navy colleagues who have studied this for a long time. But I think we need a level of R&D in this country, and I think it needs to be with the Maritime Administration and the U.S. Navy, to make sure that if some of these technologies can be conquered that we are there at the forefront of it. That is hull technology and propulsion technology.

NONCOMPETITIVE IN SHIP BUILDING

Senator JOHNSTON. Now, this question may have been asked, but can you tell us why we are so noncompetitive in ships?

General CASSIDY. There are several answers to that, sir, and it is a terribly complicated issue. Generally speaking, the playing field that our commercial world is playing on is not level. And by that I mean we are up against countries that have national companies and/or support.

Some of the liner companies in foreign countries are indeed national companies like you have in China and the Soviet Union, and partially national, like 70 percent national in Brazil. So, therefore, those national industries by default are heavily subsidized, and some of those countries do not care whether they are profitable or not. They just want a share of the international trade.

In some 25 years China, for instance, has gone from 60 oceangoing merchant ships to 1,000. Our country now ranks 12th in the number of merchant ships. The Soviet Union is second, second only to Panama, which is a flag of convenience shipping nation.

So we have not competed in the marketplace because the marketplace is not level. Our shipbuilding or ship operating industries have not been able to compete with the labor costs and the operating costs of the foreign competition. And we must do something about that.

And that something we have to do about it, Senator, I do not believe, is subsidize as the other countries do. I think what we need to do is exploit the innate ability of the United States in technology and those sorts of things and beat them in the marketplace. And we are good at that and that is what we should be doing.

COST OF SHIP BUILDING

Senator **Johnston**. Are we that far off in efficiency and operating costs and salaries?

General **Cassidy**. We are considerably off in salaries and operating costs for the crews. I think the figure ranges from about 2 to 1 for industrialized countries to about 5 to 1 for developing nations.

Also, we have quite a few laws that take care of our workers, and those laws frankly are good—OSHA standards, et cetera, which dictate the numbers of men on a crew.

Senator **Johnston**. They just cost money.

General **Cassidy**. Although we need to look at all of those, and labor and industry are willing to look at all of those and want to, we have never had a catalyst to do that before, and I am trying to be the catalyst to do that under the banner of national defense.

I am trying to say to the industry, "Hey guys, we are either going to give this industry the last rites or we are going to do something about it together. We cannot go to the public trough and ask for a lot of money, so let us sit down and find out what the solutions are."

Senator **Johnston**. Well, there will be a lot of us who will try to help you on that.

General **Cassidy**. Well, thank you, sir.

Senator **Johnston**. Thank you, Mr. Chairman.

Senator **Inouye** [presiding]. Senator D'Amato.

Senator **D'Amato**. Mr. Chairman, in the interest of time I am just going to ask that my statement be submitted for the record.

Senator **Inouye**. Without objection, so ordered.

Senator **D'Amato**. Thank you.

[The statement follows:]

Statement of Senator D'Amato

Mr. Chairman, I would like to say first that I am glad to see that you have recovered from your recent illness, Mr. Chairman, and are back with us. Through the excellent efforts of Senator Johnston we carried on with this seminal series of hearings which you planned as a basis for the committee's decisionmaking process on the defense budget.

I would like to add my welcome to General Schwarzkopf and General Cassidy. Thank you for being here. I have great respect for the outstanding job being done in both areas for which you are individually responsible.

In my view, the United States' presence in Southwest Asia has had a tremendous influence in securing the relative calm now enjoyed in the region. But our readiness to react to any of several volatile situations must not be reduced. With respect to Afghanistan and its neighbor Pakistan, all we can be certain of is that change and turmoil will continue. Therefore, we must have the resolve and unanimity not to falter when immediate action on our part could stabilize what would otherwise become a major world confrontation involving the Soviets. In the same way our relations with Iran and Iraq cannot be crippled by past mistakes to the point that we stand unable to move when action is needed. Because of vital interests such as oil and the support of allied nations, the United States has just as much right and obligation to maintain a presence in this part of the world as we do in Europe.

Turning to the topic of military transportation, I would like to say that I know of no support element of the U.S. military which is so indispensable to the execution of national will and strategy in the modern age as that of the Transportation Command. As the balances of power ebb and flow across the face of the globe to a greater extent than ever before, it is the ability of the U.S. military to move rapidly and in force that ensures its mission success in equal measure to its battle effectiveness.

The Commission on Integrated Long-Term Strategy in its report, "Discriminate Deterrence," points out several changes in the world geo-political environment which will profoundly effect the way in which the United States will be able to fulfill its leadership role in the future. The Commission notes that advanced weapons are proliferating to many third world powers, thus compounding the U.S. ability to effectively support all of its allies. Also, new threats to democracy are emerging in the Western Hemisphere, causing the U.S. to divert its attention and limited resources to these potential trouble spots. And third, U.S. access to foreign bases is deteriorating as is the assurance that traditionally friendly countries will allow U.S. forces even to pass through their sovereign territory at a time of conflict. These trends mean that to a greater and greater extent, the United States will have to be able to project power from our homeland rapidly and with sufficient effect to deter our foes from taking opportunistic actions hoping that we will not be able to respond in time to stop them. The Transportation Command will provide the remedial capability necessary to counter these global trends and prevent the crippling of the United States' military potency.

Mr. Chairman, thank you for the opportunity to have these witnesses before the committee. I look forward to their testimony.

Senator INOUYE. General Cassidy, I wish we could stay here for another 3 or 4 hours because the subject matter is so important to us. However, as I indicated at the outset, the full committee is scheduled to meet with OMB at 11 o'clock this morning, which was 5 minutes ago.

We are concerned, as you are, on the matter of pay and the quality of life, retention of military personnel. I think these issues deserve equal attention to any consideration of procurement or research and development programs, because without the highly motivated and highly trained personnel all this equipment is of no value. And we have seen this happen to us time and time again.

And so the concerns you have raised are very important to us. I can assure you of that, and they will constitute much of the work of this committee.

As I indicated, three of us here, Senator Johnston, Senator Stevens, and I, really come from maritime States and this is our lifeblood also. So we will have a very open ear to your concerns in this area.

I would like to thank you again, General, for appearing before us, and I look forward to working with you, sir.

General CASSIDY. It is my pleasure, sir; thank you for your courtesy.

Senator INOUYE. With this, the committee stands in recess until Thursday, March 2, at 9 a.m., and at that time we will have a joint meeting with the Subcommittee on Military Construction on the report of the Base Closure Commission.

Within the next few weeks, the Congress will have to address the recommendations of this Commission, which will have a profound impact on many installations around the country. And testifying at this hearing will be the Co-chairmen of the Commission, Senator Abraham Ribicoff and Representative Jack Edwards. Representing the concerns of DOD will be Robert Stone, Deputy Assistant Secretary of Defense for Installations.

SUBMITTED QUESTIONS

We will be submitting to you a lot of technical questions. I hope you will look them over and provide us with your concerns. Some of the questions I personally wanted to ask involve the matter that you brought up in your statement, a national maritime policy, a national sealift policy, a national airlift policy.

I would like to know what role, if any, you play as CINC of transportation with MarAd, for example, if there is any role to be played at all. And I would like to address questions on the matter of your concern on pilot retention and, wondering out loud, how come the Marines do not have any problems, but the Air Force and the Navy?

These are some of the questions that I will be submitting, and I know that all of my colleagues will be doing the same.

[The following questions were not asked at the hearing but were submitted to the Command for response for the record:]

QUESTIONS SUBMITTED BY SENATOR INOUYE

NATIONAL SEALIFT POLICY

QUESTION: In your statement, you advocate a national sealift policy. Can you tell us exactly what this policy would entail? What is your schedule for implementing this policy?

ANSWER: The proposed National Sealift Policy statement provides an essential first step for readdressing the deteriorated maritime capabilities of the country and for developing an action plan to meet our minimum military and economic support sealift requirements. The policy was developed by the Department of Defense and has been provided to the National Security Advisor.

The maritime industry problems are a national problem. It requires the cooperation and attention of all appropriate government agencies and the industry.

Our proposed National Sealift Policy must be addressed today in order to develop and implement those cost effective programs to provide for our national defense. The first step is approval of the National Sealift Policy by the President. Department of Defense has developed and forwarded a proposed Sealift Policy to the National Security Advisor and recommended placing sealift oversight under the chairmanship of the Deputy Assistant to the President for National Security Affairs. The significant points of the proposed National Sealift Policy are: the US must be prepared to respond unilaterally in geographic areas not covered by alliance commitments; the US will rely on US government and US commercial ocean carrier industry to provide necessary sealift; and the US Government policies and programs should provide an environment which fosters competitiveness and industrial preparedness of the maritime industries.

QUESTION: Might one alternative be a more active -reserve- merchant fleet, directly tied, for example, to the Navy Reserve or the Coast Guard Reserve?

ANSWER: Certainly, establishment of a reserve merchant fleet is an option. To a degree, we have already begun pursuing that path with the expansion of the RRF. Inherent in the expansion of the reserve fleet is the problem of manning it in a time of crisis. It is unlikely that the Navy, Coast Guard and merchant marine reservists would be drawn in the same pool. MARAD has been actively studying the possibility of establishing a separate civilian merchant marine reserve to man the growing US reserve fleet.

QUESTION: In your opinion, General, how much time do we have to address our national sealift crisis?

ANSWER: We must address the sealift crisis now. That is why we have worked to develop a National Sealift Policy. The problem did not develop overnight, and it will not be solved overnight. The time for study has passed, and we need to proceed with a well thought out commitment to reverse the downward trend for the future.

QUESTION: Last year, as you note in your statement, responsibility for funding the Ready Reserve Fleet (RRF) was transferred to the Maritime Administration (MARAD). How has this impacted your command?

ANSWER: Our relationship with MARAD has been cooperative and productive. Their concerns with maintaining the RRF in the highest state of dependable readiness mirrors our own. In fact, MARAD has increased their FY90 and beyond RRF budget to accommodate increased maintenance and ship activations.

AIR AND SEA LIFT REQUIREMENTS

QUESTION: General, you know the air and sea lift requirements for each of the major theaters of operations. These are generally expressed in terms of airlift daily ton miles and shipping tonnage. Can you specify these requirements for the committee? Can the United States Transportation Command meet these requirements?

ANSWER: The current lift requirements expressed by each of the three theaters are capability constrained, i.e., based upon projected availability and allocation of transportation assets. We have set goals for improving our mobility capabilities. In sealift, we have an adequate capability today to meet our objectives, but we are concerned about projected declines in the U.S. flag fleet in the late 1990s. We will be formally reviewing our requirements for sealift and our programs for sealift during the preparation of our next budget. Should we need additional funding or legislative changes because of declines in commercial shipping, we plan to make the proposals with our next budget request.

QUESTION: In each of the three theaters you have described, at what point in time does the transition from airlift to sealift become critical to sustain operations?

ANSWER: Realistically speaking, there is no clear transition from airlift to sealift during deployment. Airlift never stops flowing completely and is particularly critical during the early stages of deployment. Airlift is used to transport critical supplies and forces and unit equipment until the deployment is complete. Once sea lines of communication (SLOC) are established, supplies and ammunition can be delivered to the theater in the amounts needed to support air and ground operations. This occurs approximately 20 days into the deployment for Europe, 30 days for the Pacific, and 40 days for Southwest Asia. Airlift must continue even after establishing the SLOCs to move forces, critical supplies, and replacement equipment.

QUESTION: How does the loss or attrition of aircraft factor in to your calculations of how much airlift will be available after 10 days of war in NATO? After 30 days?

ANSWER: From studies available to date, airlift attrition will have little significant impact on deployment of forces and supplies to any of the theaters in question. This is due primarily to the relatively low threat from enemy air forces, which we expect to be concentrating on tactical targets rather than our strategic airlift. Other factors which contribute to low attrition rates include the large number of airfields, especially in Europe, and their locations well to the rear of the combat zone.

QUESTION: What are your estimates of the losses to shipping during resupply efforts to these three theaters?

ANSWER: The attrition of sealift is expected to exacerbate the current shortfall of sealift assets. Sealift attrition rates for each of the three theaters in question are difficult to nail down because of the wide disparities and the many unique variables associated with each theater. The expected losses for sealift are generally [deleted] The loss of even a few ships can have a significant impact on the theater CINC's warfighting capability due to the loss of the large volume of critical cargo that can be carried on one cargo ship.

QUESTION: Given the extremely limited sealift assets available, won't losses in shipping be impossible to replace under most NATO war scenarios?

ANSWER: Losses in shipping will be difficult, if not impossible to replace, and there is little excess shipping available based upon current global requirements. Sources of strategic sealift that can reasonably be expected to be available during wartime have been identified for planning purposes. The situation is not expected to improve in the near future.

QUESTIONS SUBMITTED BY SENATOR BYRD

NAVY'S SEALIFT ENHANCEMENT PROGRAM

QUESTION: What is the status and future schedule for the Navy's Sealift Enhancement Program which is designed to increase the military utility of the growing number of commercial containerships that are otherwise not suited for military support operations?

ANSWER: The Navy set an inventory goal of 1,000 seasheds. As of 28 Feb 89, 683 seasheds have been delivered. The remaining 317 sheds are under contract, and we anticipate that they will be delivered by the end of FY89. In addition, the Navy has set an inventory goal of 3,500 flatracks. These particular flatracks while based on commercial designs are heavy duty structures that fit into container cells. To date, 360 flatracks have been delivered and 2,000 are under contract. We expect delivery of the flatracks by the end of the FY 89 funded delivery period.

Strategic Transportation Requirements

QUESTION: Is the United States actively seeking alternatives such as surface effects ships that might be used to augment airlift in hurry-up military operations to remote areas?

ANSWER: No, however, the Fast Sealift Technology Development Report has recently been submitted to both the Senate and House Armed Services Committees by the Secretary of the Navy. This report states that a high cost and multi-year investment will be required to bring into being the type of fast sealift desired, particularly for the surface effect ship or the semi-planning monohull designs. A lesser expensive conventional hull was evaluated at a cost of $350-$400M for the lead ship for instance. The submission of this report should move both the Congress and the Department of Defense to initiate a process to strengthen the structure of our strategic transportation requirements through a balanced systematic approach for sealift along with initiatives in airlift and the prepositioning of material.

FAST SEALIFT SHIP STUDY

QUESTION: What was your role in preparing this study?

ANSWER: USTRANSCOM was represented on the design review panel along with the Commandant of the Marine Corps and the Maritime Administrator. The panel was formed under the chairmanship of the Secretary of the Navy. Representatives from USTRANSCOM and MSC attended working group meetings and monitored the progress of the study. Further, once the Naval

Sea Systems Command completed their working group tasks, USTRANSCOM reviewed and commented on the report prior to it being forwarded to the Secretary of the Navy.

QUESTION: What are the main findings of the study, including but not necessarily limited to findings regarding the characteristics, development costs, probable construction costs, and fleet size for fast sealift ships?

ANSWER: The Fast Sealift Program Report is currently awaiting signature from the Secretary of the Navy. I respectfully wish to defer any questions on the report itself until it is presented to the Senate and House Armed Services Committees.

QUESTION: What amount of funding is requested in the FY90 budget for fast sealift ships?

ANSWER: The Navy has not requested any funding in the FY90 budget for fast sealift ship development.

QUESTION: What amount of funding for fast sealift ships is requested for FY91 and beyond?

ANSWER: No amount of funding for fast sealift ship development has been established for FY91 and beyond.

QUESTIONS SUBMITTED BY SENATOR BUMPERS

PILOT RETENTION

QUESTION: Given the fact that the Air Force has fully met its recruiting goals, and that pilot training is a very desirable lure for young people joining the Air Force, shouldn't we at least consider requiring a longer time commitment from those who make it to pilot status? Wouldn't that help your pilot personnel problem? What other approaches do you suggest?

ANSWER: Yes, it does make sense to increase the active duty service commitment for pilots. We raised it to 8 years on 15 Jun 88 and are now considering raising it further to 10 years for those graduating pilot training in 1991.

But, in order to achieve long-term sustainment of our aviators, we must provide a substantial increase in Aviation Career Incentive Pay (ACIP). Bonuses provide a short-term band-aid that slows the bleeding but we will continue to propose aviator compensation plans that include large ACIP increases necessary for long-term sustainment.

FAST SEALIFT SHIPS

QUESTION: Why shouldn't we be buying more fast sealift ships, which everyone seems to like? If most of our materiel resupply will come by sea, isn't this shortfall even more critical than our airlift shortfall?

ANSWER: First it must be understood that airlift and sealift are inherently different. Airlift has historically been funded by DOD and been an organic asset used by the military for its ability to rapidly respond to contingency and combat requirements. Our strategy of "Forward Defense" necessitates the ability of our forward deployed troops to be augmented and sustained rapidly. This capability, coupled with our current Prepositioning Policy will fill the M-Day shortfalls. Airlift is the only answer to this quick response requirement and one that will, with the inclusion of the C-17, fulfill the final phase of the DOD airlift goal of 66 MTM/D.

On the other hand, sealift has historically been carried out by the civil sector or merchant marine. There is a long history, including two world wars, and based on law (Merchant Marine Acts of 1904 and 1936) which bears this out.

Historically, cargo airlift has been funded by the DOD because specialized aircraft are needed to respond rapidly to contingency combat requirements. Our strategy of forward defense necessitates the ability to augment our forward deployed troops rapidly with added forces and sustain the forces in the theater. Airlift and prepositioning are designed to meet our commitment to rapidly reinforce Europe and to be able to rapidly interject forces into other theaters. Our airlift goal of 66 MTM/D, which we will reach with the completion of the C-17 program, is sized so that, with prepositioning, we can deploy forces to an area outside of Europe without sacrificing our ability also to reinforce Europe rapidly.

Sealift, on the other hand, has historically been carried out by the civil sector or merchant marine. There is a long history, including two world wars, and based on law (Merchant Marine Acts of 1904 and 1936) which bears this out. Over the past 10 years, we have augmented civil shipping with government-owned ships in the Ready Reserve Force and in the Navy. We have also expanded our afloat prepositioning to reduce the time needed to deploy forces. Today, the combined fleets of the U.S. and our NATO allies are adequate to meet our sealift needs, but we are very concerned about projected declines in U.S. commercial shipping. We will be reviewing our requirements for sealift and our programs to provide sealift during the preparation of our next budget. Although we have requested no funds for additional sealift in the FY 1990-91 budget, future budgets may include such requests in order to maintain the shipping needed to meet military requirements.

FAST SEALIFT SHIPS/CRAF

QUESTION: Is it possible to start a program like the Civil Reserve Air Fleet (CRAF) program for fast sealift ships? What other measures do you suggest to help with our sealift shortfall?

ANSWER: The Civil Reserve Air Fleet (CRAF) program is a means for planning for the use of civil aircraft during wartime; it operates at no cost to the government. Participants in the program agree to provide aircraft and crews during time of war, with the planning done during peacetime we can bring these civil passenger and cargo aircraft into service quickly should they be needed to support a military deployment. Carriers that participate in the CRAF program are used during peacetime to move cargo and passengers for DOD.

Because of a severe shortage of cargo airlift capability to meet DOD requirements in time of national emergency, Congress enacted legislation for a CRAF enhancement program. Under this program, DOD contracts with civil air carriers to modify existing passenger aircraft so that they can be converted into cargo aircraft. The DOD has contracted to modify 23 aircraft in this manner. Under this program, the DOD pays the cost of the modification and the increased aircraft operating cost resulting from the added weight for aircraft that are used in a passenger mode.

Today, there are no fast sealift ships in commercial service. Should fast sealift ships enter commercial service, they could be placed in a program similar to the CRAF.

SUBCOMMITTEE RECESS

Senator **Inouye**. The subcommittee stands in recess. Thank you very much.

[Whereupon, at 11:08 a.m. Tuesday, February 28, the subcommittee was recessed to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1990

THURSDAY, APRIL 13, 1989

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m. in room SD-116, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Stevens, Garn, D'Amato, Cochran, and Specter.

DEPARTMENT OF DEFENSE

U.S. SOUTHERN COMMAND

STATEMENT OF GEN. FRED F. WOERNER, USA, COMMANDER IN CHIEF, U.S. SOUTHERN COMMAND

OPENING STATEMENT OF SENATOR INOUYE

Senator INOUYE. Before we proceed, I would like to advise all that this is a closed hearing on the secret level. I assume that all of us here have been properly certified.

This morning the subcommittee continues its review of fiscal year 1990 funding for DOD. We also continue our practice of seeking the observations and thoughts of our Nation's senior force commanders, the Commanders-in-Chief.

First to appear this morning is Gen. Fred Woerner, Commander-in-Chief of the U.S. Southern Command. At the conclusion of his testimony we will hear from Gen. James Lindsay, U.S. Army, the Commander of the Special Operations Command.

As CINCSOUTH, General Woerner is based in Panama. His area of responsibility is Central and South America. This is an area of only limited U.S. military presence in peacetime, with only 10,000 military and 8,000 DOD civilians based primarily in Panama. CINCSOUTH maintains liaison offices in 16 Latin American countries. His responsibilities include defense of the Panama Canal, security assistance, counterterrorism, drug interdiction, U.S. interests in Nicaragua, military presence in Honduras, civic action, and wartime defense of the Americas.

I would note that General Woerner is eminently qualified to serve in his position. He is fluent in Spanish. He is a specialist in Latin American affairs. From 1973 to 1977 he chaired the American studies department at the Army War College in Carlisle. From

1982 to 1986 General Woerner commanded the 193d Brigade in Panama, the only substantial U.S. ground force unit in Latin America. And, as I indicated earlier, I am pleased to note that you were a platoon leader in Hawaii with the 25th many, many years ago.

On behalf of the subcommittee I welcome you, sir. Your prepared statement has been received and will be made part of the record and you may proceed as you wish.

General WOERNER. Thank you very much, sir.

STATEMENT HIGHLIGHTED

The Command over which I proudly have leadership is rightly described as an economy of force theater. Not only are we limited in personnel, as you have indicated, sir, representing less than one-half of 1 percent of the Department of Defense's manpower, but similarly in terms of our budget, which represents considerably less than 1 percent. Most importantly, our Security Assistance Program is less than 3 percent of the United States' Worldwide Security Assistance Program.

These figures are quite small, particularly when put in context the fact that for the military interests of the United States I have responsibility for 22 percent of the world's land mass assigned to a regional command.

My thesis is that the United States has very real interests—political, economic, and military interests—within the region and that these interests warrant a greater resource portion of our national effort than currently is received.

MILITARY INTERESTS

I would like very briefly to bring into focus these military interests alone by citing five of them. The first clearly, in military terms, is that of insurgency. On a daily basis I address the problems associated with 25 different insurgent groups operating in virtually every nation of the region, but most virulently within eight countries. Against this activity I am working with, as I have mentioned, less than 3 percent—in fact, about 2.7 percent—of the worldwide security assistance budget. Whereas the program should be the most powerful weapon in my arsenal, it is, in fact, in deplorable condition. And I think that a program that was designed years ago as a containment tool warrants readdressal within the context of the 1990's.

A demonstration of this insurgent problem would lead me to a second major military consideration, that of our policy within Central America. I am encouraged by the recent Presidential-congressional accord on Nicaragua and particularly by the fact that it places us inside the Esquipulas II accords rather than leaving us on the outside, as we have been for a few years, sort of taking shots at it but not using it to good advantage.

I believe that it comes to us as a policy vehicle with extraordinarily good credentials, being designed by the Central Americans themselves and for which a Nobel Peace prize has been awarded. Therefore, I am delighted that we are on the inside of that process.

There are some elements of it that I think demand our caution, but they are workable. For instance, we need to retain in proper perspective and balance the three objectives of peace, democracy, and stability. Accordingly, we should not permit ourselves to be led down a rosy path of false Sandinista promises to democracy absent the commensurate guarantees for our security interests and our democratic allies within the region.

This will necessitate a substantive addressal of verification, and while the U.N. is currently looking at that and we are supportive of their efforts, I advocate deliberate addressal of that dimension.

SUPPORT FOR EL SALVADOR

Along with our watch of Nicaragua, I consider it very important that we sustain our support of El Salvador. I anticipate that this will become particularly difficult this year with a change of administration in El Salvador—the ARENA party and Mr. Cristiani replacing President Duarte and the Christian Democrats. Unfortunately, but quite legitimately, the ARENA party will come into office with some unattractive baggage in the name of d'Aubuisson and his association with human rights violations and death squads.

What I see is a balanced addressal of El Salvador as the new party assumes office. Specifically, we should extend to that new government the same understanding, patience, and support that we have extended to President Duarte and his Christian Democratic government, presuming, of course, that the new government continues to address in an appropriate fashion their human rights responsibilities.

In the case of Honduras, we will most certainly be increasingly challenged in our military presence there and our exercise program. I believe that our presence in Honduras is a legitimate bargaining element within the Esquipulas II accords and that we should be prepared to respond to Nicaraguan achievements in the democratization process. But I hope that any reduction in our military presence in Honduras would be linked to reductions in security threat and occur after progress toward democratization within Nicaragua. We should not, however, bet on the outcome.

CONTRA ISSUE

The resolution of the Contra issue remains with us. I feel very strongly about our responsibilities and obligations toward that force, which we as a government helped organize and sustain. We must ensure that they are treated with dignity and justice in the future.

We now, thanks to the accord between the Congress and the administration, have time to see the true intentions of the Sandinista Government and act accordingly toward the Contras.

PANAMANIAN POLICY

A third potential military problem—I would hope that it would not become one of military solution, but it involves the military already—is that of our Panamanian policy. The President has restated the former policy, that of the restoration of democracy in

Panama. As an integral step to that process, General Noriega must renounce his current powers.

I believe that the elections on May 7 in Panama are a very important step in this process. We should be doing everything within our power to make that playing field as level as possible. In fact, it is already quite uneven and will remain so, but we should do our very best no matter the outcome—be it a Noriega victory, an opposition victory, or a cancellation of the elections—we will have contributed to denying to Noriega the legitimacy which he so desperately desires.

After the elections, we have no catalytic event that would offer a convenient opportunity to make any adjustments that may be desired in our current policy.

COUNTER-DRUGS

A fourth dimension is that of counter-drugs. While it is not yet clear the specificity of the U.S. military commitment to the counter-drug mission overseas, I have no choice but to address the problem, given the ever-strengthening linkages between the insurgents and the narco-traffickers. What I am absolutely certain of in terms of my experience within the region is that at our current levels of national effort we are losing the battle exponentially. What it will take, if we are serious about it, is a national commitment, a very sophisticated strategy, a unification of the multiplicity of agencies addressing it. In my opinion, we need to focus primarily toward demand and only secondarily toward supply. The commitment will require enormous resources and a long-term 20- to 40-year effort.

Absent that, we will continue to suffer the social degradation associated with drugs. Significantly, in Latin America there is just now emerging a new attitude, and that is one which recognizes that it is no longer a U.S. problem but is a shared problem that requires a combined effort to resolve. This is quite new and, therefore, while only emerging at the moment there are opportunities for addressing the supply side more substantively than we have been able to do to date.

ILLEGAL IMMIGRATION

The fifth problem is not yet military but could potentially in a longer term become one, and that is the problem of illegal immigration into the United States—over 1 million a year. The United States enjoys perhaps a backhanded compliment of, to my knowledge, being the only nation in the world that can attribute the majority, over 50 percent, of its population growth rate to illegal immigration.

The military significance is that should the military be tasked with securing the southern border, 1,952 miles long, with associated sea and air approaches, it would have a bodacious impact upon our worldwide commitments, were it not accompanied by increased resources.

INTERNATIONAL DEBT CRISIS

These five military or potentially military issues within the region must all be seen within the context of the international debt crisis because unless we understand that dimension we will not understand the grand solution of those issues nor will we be on the same frequency in our dialogue with the Latin Americans. That debt crisis is impacting not only on them but on us. It is estimated that we have lost $75 billion in trade since 1981 because of that crisis.

A symbol of the dimension of the crisis is the recent demonstrations in Venezuela in which 300 people were killed and over 1,000 injured in demonstrations against President Carlos Andres Perez taking the requisite policy decisions to address Venezuela's problems—one of the countries better off in a regional comparison.

Failing in the addressal of that international debt crisis I anticipate an increasing radicalization of the democratic process in Latin America. We see dangerous signs of that already, whereas in the past 10 years there has been an incredible success story in the democratization of the region. I used to count the democracies on less than five fingers; now I do the same thing with the dictatorships. All the others have representative governments.

But within that process we can see in both recent elections and current campaigns an emerging popularity of a radical populist sector that will greatly complicate our interests within the region.

Finally, I would say that these interests and many more demand, solicit a resourcing, a commitment of U.S. national resources in more handsome balance, not in priority over our European, Far Eastern, or our Middle Eastern interests, but in better balance to what they currently enjoy. Even an economy of force theater needs resources to accomplish its mission.

Thank you, sir.

[The statement follows:]

STATEMENT OF GEN. FRED F. WOERNER

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SENATE, I WELCOME THIS OPPORTUNITY TO SPEAK WITH YOU ABOUT THE KEY ELEMENTS OF OUR LATIN AMERICAN STRATEGY AND MY ASSESSMENT OF OUR DEFENSE AND SECURITY REQUIREMENTS IN THE REGION.

I. INTRODUCTION

CURRENTLY WE ARE WITNESSING DRAMATIC CHANGES AROUND THE GLOBE WHICH ARE RESHAPING POWER BALANCES AND CALLING FOR NEW WAYS OF DEALING WITH THE COMPLEX CHALLENGES TO OUR NATIONAL SECURITY. THE NEXT FOUR YEARS PROMISE FURTHER ABATEMENT OF THE EAST-WEST CONFLICT, AS OUR LEADERS SEEK TO BRING BETTER BALANCE BETWEEN OUR RESOURCES AND OUR GLOBAL MILITARY STRATEGY.

THE RELAXATION OF TENSIONS BETWEEN THE UNITED STATES AND THE SOVIET UNION DARES US TO BE MINDFUL OF THE STRATEGIC OPPORTUNITIES AT OUR DOORSTEP. IN 1992 WE WILL ARRIVE AT TWO HISTORICAL MILESTONES--THE PROMISED ECONOMIC UNITY OF EUROPE AND THE FIFTH CENTENNIAL OF THE DISCOVERY OF THE AMERICAS BY THE INTREPID GENOESE UNDER THE SERVICE OF SPAIN. THE ONE WILL SURELY CHALLENGE OUR COMPETITIVENESS IN THE GLOBAL ECONOMY, WHILE THE OTHER WILL SIGNAL OUR COMMON ROOTS AND COMMON DESTINY IN THIS HEMISPHERE. IT SHOULD ALSO HIGHLIGHT FOR US THE VALUE OF A DEMOCRATIC COMMUNITY OF NATIONS JOINED BY THE LOVE OF FREEDOM AND A COMMON DESIRE FOR ECONOMIC PROSPERITY AS WELL AS SECURITY FROM MISERY, INSURGENCY, VIOLENCE, AND THE CORRUPTING INFLUENCE OF NARCOTICS.

WE MEET AT A PROPITIOUS MOMENT IN OUR NATION'S RELATIONS WITH LATIN AMERICA: ON MARCH 19TH, WE WITNESSED A DEMOCRATIC REAFFIRMATION BY THE PEOPLE OF EL SALVADOR; JUST RECENTLY THE ADMINISTRATION AND THE CONGRESS REACHED A BIPARTISAN ACCORD FOR THE ACHIEVEMENT OF DEMOCRACY, PEACE, AND SECURITY IN CENTRAL AMERICA; AND NOW, WITH MUCH HOPE, WE AWAIT THE IMPLEMENTATION OF SECRETARY OF THE TREASURY NICHOLAS BRADY'S PLAN FOR ATTACKING THE LATIN AMERICAN DEBT PROBLEM.

TODAY I WANT TO PASS ON MY MESSAGE OF WHERE I THINK WE SHOULD BE HEADED IN THE NEXT FOUR YEARS. I WILL STRESS THE FULL SPECTRUM OF ACTIVITIES WHICH AFFECT OUR NATIONAL INTERESTS IN LATIN AMERICA, BEGINNING WITH A SUMMARY OF MY MAJOR RESPONSIBILITIES AND RESOURCES.

AS THE COMMANDER IN CHIEF OF THE UNITED STATES SOUTHERN COMMAND, I AM RESPONSIBLE FOR U.S. MILITARY ACTIVITIES IN LATIN AMERICA TO INCLUDE CENTRAL AMERICA, PANAMA, AND SOUTH AMERICA BUT NOT MEXICO AND NOT THE INSULAR CARIBBEAN. THE MISSION OF SOUTHERN COMMAND IS TO PROTECT THE SOUTHERN FLANK OF THE UNITED STATES AND THE PANAMA CANAL BY ACTIVE SUPPORT OF U.S. GOVERNMENT POLICY IN THE REGION. MY AREA OF RESPONSIBILITY COVERS SOME 22%

OF THE WORLD LANDMASS ASSIGNED TO REGIONAL CINCs. AND I OPERATE ON A BUDGET THAT REPRESENTS SUBSTANTIALLY LESS THAN ONE PERCENT OF THE DEPARTMENT OF DEFENSE TOTAL.

I HAVE A SMALL, FORWARD-DEPLOYED FORCE, WHICH CONSISTS OF A COMBAT BRIGADE, SPECIAL FORCES BATTALION, SPECIAL BOAT UNIT, NAVAL SPECIAL WARFARE UNIT, AND A TACTICAL AIR SQUADRON, WITH SUPPORT AND HEADQUARTERS ELEMENTS. THIS FORCE NUMBERS APPROXIMATELY 10,000 PERSONNEL IN PANAMA AND 16 MILITARY GROUPS (MILGROUPS) IN CENTRAL AND SOUTH AMERICA. IN ADDITION, I HAVE 55 TRAINERS IN EL SALVADOR AND ABOUT 1200 MILITARY PERSONNEL TEMPORARILY STATIONED IN HONDURAS WHO BASICALLY SUPPORT OUR EXERCISE ACTIVITY IN THAT COUNTRY. BY WAY OF COMPARISON, THESE NUMBERS TOTAL A LITTLE OVER ONE-HALF PERCENT OF ALL DEPARTMENT OF DEFENSE ACTIVE DUTY MILITARY PERSONNEL.

MY FOCUS IS BOTH REGIONAL AND COUNTRY SPECIFIC. REGIONALLY, MY STRATEGY IS TO EMPLOY FORCES TO SUPPORT U.S. GOVERNMENT GOALS OF DEMOCRACY AND DEVELOPMENT. MY PEOPLE WORK TO IDENTIFY AND PRIORITIZE APPROPRIATE ACTIVITIES IN COORDINATION WITH A VARIETY OF SOURCES IN THE OFFICE OF THE SECRETARY OF DEFENSE, ON THE JOINT STAFF, IN U.S. COUNTRY TEAMS, AND WITH HOST COUNTRY GOVERNMENTS. WITH REGARD TO THE HOST COUNTRY, THE MAJOR THRUST OF OUR EFFORT IS TO HELP LATIN AMERICAN MILITARY PERSONNEL BECOME MORE TECHNICALLY PROFICIENT AND MORE SUPPORTIVE OF THEIR LEGITIMATELY ELECTED DEMOCRATIC LEADERS.

ON THE COUNTRY LEVEL, I COORDINATE A TAILORED STRATEGY WITH THE U.S. AMBASSADOR, AND I DEPEND ON CLOSE COOPERATION WITH THE VARIOUS MEMBERS OF THE COUNTRY TEAM TO IMPLEMENT MY MILITARY AND COUNTER-DRUG INITIATIVES. EXCEPTIONS TO THIS ARE NICARAGUA, SURINAME AND FRENCH GUYANA WHERE WE HAVE NO ONGOING ACTIVITIES.

THE NATURE OF MY THEATER IS VERY DIFFERENT FROM THOSE OF THE OTHER REGIONAL CINCs. THE PREVAILING ENVIRONMENT IN THE U.S. SOUTHERN COMMAND AREA OF RESPONSIBILITY IS ONE OF UNDER-DEVELOPMENT. THE THREAT MOST OFTEN FACED IS COMMONLY REFERRED TO AS LOW INTENSITY CONFLICT BUT WHICH SHOULD MORE APTLY BE TITLED HIGH PROBABILITY CONFLICT. IN THIS TYPE OF CONFLICT, THE POLITICAL, ECONOMIC, AND SOCIAL DIMENSIONS OF THE PROBLEM ARE AS IMPORTANT AS, AND OFTEN MORE IMPORTANT THAN, THE MILITARY. THERE IS A SIGNIFICANT CONVENTIONAL FORCE MILITARY DIMENSION TO MY DUTIES--PARTICULARLY FROM THE PERSPECTIVE OF THE HOST COUNTRY LEADERS AS THEY VIEW THEIR HISTORICAL THREATS; HOWEVER, A LARGE PART OF THE PROBLEM WITH WHICH I DEAL IS NON-CONVENTIONAL, ON THE LOW INTENSITY/HIGH PROBABILITY CONFLICT END OF THE SPECTRUM.

THROUGHOUT LATIN AMERICA, THE TRIPLE ILLS OF INSURGENCY, ILLICIT DRUGS, AND TERROR FIND THEIR WELLSPRING OF SUPPORT IN SOCIAL DISCONTENT, ECONOMIC FRUSTRATION, AND POLITICAL DISENFRANCHISEMENT. THE ENEMIES OF DEMOCRACY ARE EVER EAGER TO EXPLOIT THESE PROBLEMS. FOR THE NON-IDEOLOGUE, THE DECISION TO TAKE UP ARMS IS USUALLY ONLY TAKEN AFTER THE ACCUMULATION OF MUCH PESSIMISTIC EVIDENCE. THIS MEANS THAT GAINING THE CONFIDENCE AND WINNING THE SUPPORT OF THESE DISAFFECTED CITIZENS BECOMES A MAJOR TASK FOR A GOVERNMENT. GIVEN THESE DIMENSIONS, THE INDICES WHICH I MONITOR ARE QUITE DIFFERENT FROM THOSE USED IN THE TRADITIONAL MILITARY SENSE.

II. THE MEASURE OF OUR NATIONAL INTERESTS.

I WILL FAIL IN MY MISSION TODAY IF I DO NOT CONVEY TO YOU THE STRATEGIC IMPORTANCE OF THE LATIN AMERICAN REGION TO THE UNITED STATES, AND THE URGENT NEED TO BRING OUR STRATEGY IN BALANCE WITH OUR NATIONAL INTERESTS IN THE REGION.

A FRIENDLY LATIN AMERICA CONTRIBUTES TO OUR NATIONAL DEFENSE BY ALLOWING US TO MAINTAIN A NATIONAL SECURITY STRATEGY OF GLOBAL REACH. A SECURE AND PROSPEROUS HEMISPHERE INCREASES OUR CAPABILITY TO PROJECT POWER AND INFLUENCE AROUND THE GLOBE. AN ECONOMICALLY PROSTRATE AND POLITICALLY WEAK LATIN AMERICA PROVIDES A RICH TARGET FOR OUR ADVERSARIES TO EXPLOIT. A DIRECT THREAT IN THIS HEMISPHERE MEANS THE UNITED STATES WOULD HAVE TO READJUST ITS WORLDWIDE COMMITMENTS -- PERHAPS SIGNIFICANTLY.

FOR REASONS OF GEOGRAPHIC PROXIMITY AND THE DEEP TIES OF KINSHIP, CULTURE, AND ECONOMICS, EVENTS IN LATIN AMERICA RESONATE DEEPLY IN THE UNITED STATES, AND VICE VERSA. THIS IS ESPECIALLY TRUE IN THE BURGEONING ILLEGAL DRUG TRAFFIC INTO THE UNITED STATES, TWO-THIRDS OF WHICH (100% OF THE COCAINE) COMES FROM LATIN AMERICA. AS DRUGS UNDERMINE OUR SOCIETY, THEY FUNDAMENTALLY THREATEN THE MORAL AND INSTITUTIONAL BASES OF LATIN AMERICAN DEMOCRACY. WE ALSO SEE INSIDIOUS TACTICAL ALLIANCES BETWEEN NARCOTRAFFICKERS AND INSURGENTS, EVEN THOUGH THEY SOMETIMES WORK AT CROSS-PURPOSES. GUERRILLAS SELL PROTECTION TO NARCOTRAFFICKERS AND USE THE FUNDS TO BUY MILITARY EQUIPMENT. VAST QUANTITIES OF DRUG MONEY ARE USED TO BUY INTELLIGENCE, SUBORN GOVERNMENTS, CORRUPT MILITARY AND POLICE FORCES, AND INTIMIDATE JUDGES. THREATENED IS THE VERY INTERNATIONAL ORDER WHICH SUSTAINS THE DEMOCRATIC COMMUNITY OF NATIONS.

--ECONOMIC WELL-BEING. NOWHERE IS U.S.-LATIN AMERICAN INTERDEPENDENCE MORE KEENLY FELT THAN IN THE ECONOMIC WELL-BEING OF BOTH NORTH AND SOUTH IN THIS HEMISPHERE. THE U.S. DEPENDS UPON LATIN AMERICA ECONOMICALLY IN MANY WAYS. FOR EXAMPLE, STRATEGIC RAW MATERIALS SUCH AS ANTIMONY, MANGANESE, AND TIN; 96% OF OUR BAUXITE; AND 40% OF OUR PETROLEUM COME FROM LATIN AMERICA. OUR TRADE WITH LATIN AMERICA THIS DECADE HAS BEEN AS FOLLOWS:

	EXPORTS (MILLION)	IMPORTS (MILLION)
1980	$38,718	$38,713
1985	31,019	49,096
1988	37,256	48,167

OUR EXPORTS TO LATIN AMERICA ARE APPROXIMATELY HALF OF THE TOTAL TO WESTERN EUROPE, AND ABOUT 40% OF THOSE TO THE ENTIRE DEVELOPING WORLD. IMPORTS FROM LATIN AMERICA EQUAL ALMOST TWO-FIFTHS OF THE TOTAL FROM WESTERN EUROPE, AND ONE-THIRD OF THOSE FROM THE DEVELOPING COUNTRIES. TOTAL U.S. EXPORTS WORLD-WIDE FOR 1988 ARE ESTIMATED TO BE $508 BILLION AND IMPORTS $597 BILLION.

THESE FIGURES DO NOT TELL THE ENTIRE STORY. AMERICAN BUSINESS HAS LOST OVER $75 BILLION DOLLARS IN POTENTIAL EXPORT TRADE SINCE LATIN AMERICA'S RECESSION BEGAN IN 1981. AS MANY AS ONE MILLION AMERICAN JOBS MAY HAVE BEEN LOST AS A RESULT. MOREOVER, WERE THE REGION ABLE TO SET ITS ECONOMIC HOUSE IN

ORDER AND RESUME SUSTAINED GROWTH, AMERICAN BUSINESS COULD BE LOOKING AT AN INCREASINGLY PROSPEROUS MARKET OF 550 MILLION PEOPLE AT THE TURN OF THE NEXT CENTURY.

MANY LATIN AMERICAN NATIONS TODAY, SUCH AS BRAZIL, ARGENTINA, CHILE, AND MEXICO, ARE IN THE FOREFRONT OF TECHNOLOGICAL ADVANCEMENT. THEY PRODUCE AN ARRAY OF SOPHISTICATED ITEMS, RANGING FROM ELECTRONICS TO COMPUTERS, AIRCRAFT, NUCLEAR POWER, AND MILITARY EQUIPMENT. AND IN THE CASES OF CHILE, ARGENTINA, AND BRAZIL WE SEE THE EXPORT OF ADVANCED MILITARY TECHNOLOGY. FIGURES FROM OUR DEPARTMENT OF STATE LAST YEAR SHOWED BRAZIL AS THE EIGHTH LARGEST INDUSTRIAL ECONOMY IN THE WORLD AMONG THE FREE-MARKET ECONOMIES.

--DEMOCRACY. OUR CONCERNS FOR DEFENSE, FOR ECONOMIC WELL-BEING, AND FOR AN INTERNATIONAL ORDER FREE OF COERCION ARE DIRECTLY LINKED TO OUR SUPPORT FOR DEMOCRACY IN THE HEMISPHERE. IN 1976, AUTHORITARIAN MILITARY GOVERNMENT WAS THE RULE IN MOST LATIN AMERICAN COUNTRIES. FREELY ELECTED CIVILIAN GOVERNMENTS HAVE REPLACED MILITARY RULE IN ALL COUNTRIES WHERE IT EXISTED EXCEPT CHILE, PANAMA, NICARAGUA, AND PARAGUAY--EACH OF WHICH HAVE SCHEDULED ELECTIONS WITHIN A YEAR. THIS REMARKABLE SHIFT TO CIVILIAN DEMOCRATIC GOVERNMENTS IS A STRATEGIC BREAKTHROUGH FOR THE UNITED STATES, BECAUSE DEMOCRATIZATION IS THE BEST DEFENSE AGAINST OUR ADVERSARIES. I FIRMLY BELIEVE THAT SOCIETIES THAT FULLY ENGAGE THE CREATIVE CAPACITY OF THEIR CITIZENS AND HOLD THE GOVERNORS ACCOUNTABLE TO THE GOVERNED CONTRIBUTE MORE TO THEIR OWN AND TO OUR NATIONAL SECURITY THAN DO AUTHORITARIAN GOVERNMENTS, WHOSE PREVIOUS CLAIM TO LEGITIMACY WAS BASED ON SHORT TERM SECURITY AND THEIR ANTICOMMUNISM.

NOT ONLY IS DEMOCRACY A BULWARK AGAINST TOTALITARIAN DOCTRINES. IT IS ALSO A MARVELOUS SYSTEM FOR EXPANDING THE COMMUNITY OF VALUES AND FOR NURTURING MAXIMUM COOPERATION AND ECONOMIC TRADE AMONG THE SOCIETIES OF THE HEMISPHERE. BY REDUCING THE PARANOIA WHICH DIVIDES US, DEMOCRACIES PROVIDE MECHANISMS FOR THE RESOLUTION OF CONFLICT. UNFORTUNATELY, POLITICAL DEMOCRACY FACES A PERILOUS FUTURE IN LATIN AMERICA BECAUSE IT IS NOW ASSOCIATED WITH ECONOMIC DEPRESSION. WE NEED TO WORK TOGETHER TO RESTORE CONFIDENCE IN DEMOCRACY.

--ILLEGAL IMMIGRATION. IT IS ESTIMATED THAT BETWEEN 1982 AND 1988 WELL OVER 10 MILLION PEOPLE ENTERED THE USA LEGALLY AND ILLEGALLY. MOST OF THE RECENT IMMIGRANTS WERE FROM CENTRAL AMERICA AND ASIA. AS GENERAL PAUL GORMAN AND THE COMMISSION ON INTEGRATED LONG-TERM STRATEGY POINTED OUT LAST YEAR IN THEIR DRAFT PUBLICATION ON SECURITY ASSISTANCE, THIS IS THREE TIMES AS MANY IMMIGRANTS AS ENTERED THE USA DURING THE ENTIRE 40-YEAR PERIOD BETWEEN 1925 AND 1965.

THE ILLEGAL DIMENSION OF THE IMMIGRATION PHENOMENON IS LARGE. BETWEEN 1951 AND 1988 THE IMMIGRATION AND NATURALIZAITON SERVICE (INS) APPREHENDED OVER 22 MILLION ILLEGAL ALIENS OF WHICH MORE THAN 70% WERE FROM MEXICO AND CENTRAL AMERICA. WE CAN ONLY GUESS THE NUMBER OF ILLEGAL ALIENS WHO WERE NOT DETECTED. ONE OTHER SET OF RECENT FIGURES I HAVE SEEN SHOWS THAT 50% OF THE ANNUAL POPULATION GROWTH IN THE USA IS THE RESULT OF ILLEGAL ALIENS. THE TENUOUS SITUATION IN CENTRAL AMERICA CREATES THE POTENTIAL FOR THE CONTINUED EXODUS OF LARGE NUMBERS OF NICARAGUANS, SALVADORANS, AND GUATEMALANS TO THE

UNITED STATES. WHEN COUPLED WITH THE WELL-DOCUMENTED, LARGE FLOW OF ILLEGAL ALIENS FROM MEXICO, THE POLICY DILEMMA GROWS. THE CORRECT U.S. GOVERNMENT POLICY RESPONSE, HOWEVER, NEEDS TO BE OUTWARD-LOOKING, NOT INWARD. THAT IS, WE NEED TO RECOGNIZE THAT THE PROBLEM IS NOT SO MUCH ONE OF U.S. IMMIGRATION AS IT IS ONE OF LATIN EMIGRATION. ATTACKING THE CAUSES OF UNDER-DEVELOPMENT OFFERS THE BEST PROSPECTS OF SUCCESS. THE PRESSURES OF POVERTY, LAWLESSNESS, AND VIOLENCE ARE WHAT PRODUCE LATIN EMIGRATION. THESE ARE THE ILLS WHICH U.S. GOVERNMENT POLICY SHOULD ADDRESS FOREMOST.

III. MAJOR EVENTS OF 1988/1989.

AGAINST THE BACKDROP PRESENTED ABOVE, I WOULD LIKE TO GIVE YOU A FLAVOR OF SOME OF THE ACTIVITY WHICH WE HAVE EXPERIENCED IN LATIN AMERICA OVER THE LAST 12 - 15 MONTHS. LET ME FIRST ADDRESS SOME OF THE MORE POSITIVE DEVELOPMENTS.

--ELECTIONS. AN HONEST AND COMPETITIVE ELECTORAL PROCESS LAYS THE BASIS FOR POLITICAL DEVELOPMENT. FREE ELECTIONS WERE CONDUCTED IN ECUADOR WHERE A NEW PRESIDENT WAS CHOSEN; IN EL SALVADOR A NEW LEGISLATURE AND A FULL SLATE OF NEW MAYORS WERE ELECTED IN 1988, AND WE JUST WITNESSED THE CONCLUSION OF AN OPEN AND FAIR DEMOCRATIC ELECTION FOR PRESIDENT. VENEZUELA INSTALLED A NEW PRESIDENT WHO IS AN ARDENT SUPPORTER OF DEMOCRACY. AND IN BRAZIL, MAYORS WERE ELECTED LAST FALL IN 24 STATE-CAPITAL MUNICIPALITIES. A REVIEW OF UPCOMING PRESIDENTAL/PRIME MINISTERIAL ELECTIONS ELSEWHERE IN LATIN AMERICA SHOWS NINE ELECTIONS SCHEDULED BEFORE THE END OF 1989 (ARGENTINA, BRAZIL, BELIZE, BOLIVIA, CHILE, HONDURAS, PANAMA, PARAGUAY, AND URUGUAY) AND FOUR MORE SCHEDULED IN THE EARLY MONTHS OF 1990 (COLOMBIA, COSTA RICA, NICARAGUA, AND PERU). POTENTIALLY PROMISING ARE THE FORTHCOMING ELECTIONS IN PANAMA AND NICARAGUA WHERE THE DEMOCRATIC FORCES NEED THE SUPPORT AND ENCOURAGEMENT OF ALL WESTERN DEMOCRACIES AND JAPAN. IMPARTIAL ELECTION OBSERVERS WILL BE CRITICAL FOR THESE TWO COUNTRIES.

--EL SALVADOR. U.S. GOVERNMENT-SUPPORTED EFFORTS SHOWED CONTINUED PROGRESS IN THIS SMALL, WAR-TORN COUNTRY. NOTWITHSTANDING THE APPEARANCE OF SOME CRITICAL REVIEWS IN THE U.S. MEDIA AND THE ESCALATION OF VIOLENCE BY THE FMLN, SALVADORANS AGAIN DEMONSTRATED CONVINCINGLY THEIR DESIRE FOR DEMOCRACY AT THE MARCH 19, 1989 ELECTIONS. SINCE THE MUNICIPAL ELECTIONS OF MARCH 1988, THE GUERRILLA INSURGENTS HAVE ASSASSINATED TEN NEWLY ELECTED MAYORS AND INTIMIDATED 83 MORE TO RESIGN. THIS MEANS OVER 35% OF THE FREELY ELECTED MUNICIPAL LEADERS HAVE BEEN EITHER KILLED OR DRIVEN FROM OFFICE BY THE FMLN IN ONE YEAR'S TIME. MY ASSESSMENT IS THAT WHILE THE HEINOUS CRIMES OF THE FMLN ARE AN EFFECTIVE MEANS OF INTIMIDATION, THE INSURGENTS RISK ALIENATION FROM THE PEASANT-BASED ELECTORATE WHICH BROUGHT THESE LOCAL LEADERS TO OFFICE. UNDER NEW LEADERSHIP INSTALLED TOWARD YEAR'S END, THE ARMED FORCES SHOWED GREATER AGGRESSIVENESS AND MAY BE ABLE TO BETTER SUPPORT THE GOVERNMENT'S EFFORTS TO SEPARATE THE FMLN FROM ITS SUPPORT BASES.

IN ADDITION TO THE MURDERS OF THE MAYORS, WE HAVE SEEN INCIDENTS OF RANDOM FMLN URBAN TERROR, WITH INCREASED BOMBINGS IN SAN SALVADOR AND A 'DIPLOMATIC' CAMPAIGN CLEARLY INTENDED TO

DISCREDIT THE NEWLY-ELECTED ARENA GOVERNMENT IN THE EYES OF WASHINGTON DECISION MAKERS.

ON BALANCE, IT IS IMPORTANT TO NOTE HOW FAR WE HAVE COME IN EL SALVADOR. NO LONGER DO THE INSURGENTS OPERATE WITH IMPUNITY IN BATTALION-SIZE FORMATIONS AS THEY DID AT THE BEGINNING OF THIS DECADE. NOW, AS A MATTER OF SURVIVAL, FMLN OPERATIONS ARE SQUAD-SIZE OR SMALLER. THE MILITARY SUPPORTS ITS DEMOCRATICALLY ELECTED LEADERS, AND ALTHOUGH ALLEGED DEATH SQUAD ACTIVITY HAS SHOWN SIGNS OF RESURGENCE IN THE LAST SEVERAL MONTHS, HUMAN RIGHTS ABUSES ARE ABERRATIONS TO THE PATTERN--NOT PER SE INDICATORS OF DEEP-SEATED EVIL. OUR POLICY HAS HELPED ACHIEVE IMPRESSIVE RESULTS IN NINE YEARS. THEY ARE: THE TRANSITION OF POWER FROM THE WESTERN HEMISPHERE'S OLDEST MILITARY DICTATORSHIP TO CIVILIAN AUTHORITY; DRASTIC DECLINE IN HUMAN RIGHTS VIOLATIONS BY GOVERNMENT TROOPS AND THE RECALCITRANT RIGHT; SIX ELECTIONS OPENLY AND HONESTLY CONTESTED; THE FIRST PEACEFUL TRANSFER OF PRESIDENTIAL POWER FROM ONE CIVILIAN ELECTED OFFICIAL TO ANOTHER; EXTENSIVE AGRARIAN REFORM UNDER DIFFICULT WARTIME CONDITIONS; AND THE EXPANSION AND PROFESSIONALIZATION OF AN ARMY THAT WAS ONCE THOUGHT TO BE NO MATCH FOR THE GUERRILLA "FINAL OFFENSIVES". A CRIPPLING EARTHQUAKE IN 1986 MAKE THESE ACHIEVEMENTS EVEN MORE REMARKABLE.

--CHILE. IN CHILE DURING THE OCTOBER PLEBISCITE, THE DEMOCRATIC OPPOSITION FORCES COALESCED AS THE GOVERNMENT OF CHILE HONORED ITS PROMISE AND PERMITTED SUFFICIENT POLITICAL FREEDOM TO ALLOW FOR A STRONG REJECTION OF GENERAL AUGUSTO PINOCHET'S CONTINUANCE IN POWER. MOST RECENTLY, WE SEE STRONG EVIDENCE THAT THE GOVERNMENT IS WILLING TO CONSIDER CHANGES TO CHILE'S CONSTITUTION THAT WILL BENEFIT DEMOCRACY. THE RESTORATION OF CIVILIAN GOVERNMENT AWAITS THE DECEMBER 1989 ELECTIONS. CHILE'S RETURN TO THE COMMUNITY OF DEMOCRATIC NATIONS WILL MAKE AN IMMENSE CONTRIBUTION TO DEMOCRATIC SOLIDARITY IN THE HEMISPHERE.

--PARAGUAY. THE FEBRUARY 1989 COUP AGAINST STROESSNER AND THE PROMISE OF DEMOCRATIC PRESIDENTIAL ELECTIONS IN MAY, OFFER HOPE THAT THE DEMOCRATIC PROCESS WILL EMERGE IN PARAGUAY AFTER 34 YEARS OF TIGHT-FISTED RULE.

--DRUGS. ALTHOUGH THE SITUATION IS NOT BRIGHT, THIS PAST YEAR'S ANTI-NARCOTICS EFFORTS BY THE DEMOCRACIES IN THE ANDEAN RIDGE, AND THE GREATER ACKNOWLEDGMENT OF MUTUAL RESPONSIBILITY FOR THE PROBLEM BOTH BY THE U.S. GOVERNMENT AND LATIN NATIONS, REPRESENT DEVELOPMENTS WITH THE POTENTIAL FOR SIGNIFICANTLY HEIGHTENED PRESSURE ON NARCOTRAFFICKERS.

--DEMOCRACY. GUATEMALA, PERU, ECUADOR, AND ARGENTINA ALL SUFFERED THREATS OF COUPS D'ETAT OF VARYING SERIOUSNESS. HOWEVER, NONE OF THESE THREATS ENJOYED WIDESPREAD SUPPORT AMONG MOST INFLUENTIAL SECTORS OF SOCIETY. PREDICTABLY, GIVEN THESE CONDITIONS, NONE WAS SUCCESSFUL.

THERE WERE NEGATIVE DEVELOPMENTS WITHIN THE REGION AS WELL.

--DEBT. THERE WAS AN INCREASED LATIN RECOGNITION OF THE NEED TO WORK THE DEBT PROBLEM DURING THE LAST YEAR. THIS CONTRIBUTED TO HEIGHTENED STABILITY IN THE INTERNATIONAL BANKING AND ECONOMIC SYSTEM. I THINK THIS ALSO HELPED US AVOID ANY

MAJOR, DEBT-RELATED ECONOMIC CATASTROPHE IN LATIN AMERICA DESPITE THE STILL GROWING REGIONAL DEBT TOTAL OF $440 BILLION AND ANNUAL SERVICE PAYMENTS IN EXCESS OF OF $25 BILLION. THE PLAN UNVEILED BY SECRETARY OF THE TREASURY BRADY OFFERS A PROPITIOUS SIGNAL FROM THE U.S. FOR RESOLUTION OF THIS ISSUE. NEVERTHELESS, MAKE NO MISTAKE: FOREIGN DEBT IS AN IMMEDIATE AND POTENTIALLY DEVASTATING PROBLEM FOR LATIN AMERICA, WITH A TRIP-WIRE ACTIVATOR, AND WORLD-WIDE IMPLICATIONS. THE UNEXPECTED SOCIAL VIOLENCE IN VENEZUELA IN FEBRUARY 1989 WHICH RESULTED IN ABOUT 300 DEATHS AND OVER 1000 INJURED IS A GRAPHIC EXAMPLE OF THE EXPLOSIVE REPERCUSSIONS WHICH MAY AWAIT GOVERNMENT AUSTERITY PROGRAMS ENGENDERED BY FOREIGN DEBT PROBLEMS. I THINK WE MUST ACT QUICKLY TO IMPLEMENT THE BRADY PLAN AND THEREBY RESTORE CONFIDENCE IN A MORE EQUITABLE FUTURE AS THE BASIS FOR RENEWED ECONOMIC GROWTH.

--PANAMA. NORIEGA WAS INDICTED IN U.S. COURTS AND FIRED BY PRESIDENT ERIC DELVALLE, WHILE THE BANKS CLOSED AND THE ECONOMY WENT INTO A FREE FALL. YET EVEN IN THE FACE OF A COUP ATTEMPT BY SOME OF HIS OFFICERS, NORIEGA SURVIVED. DESPITE SIGNIFICANT PRE-ELECTION GAINS BY THE OPPOSITION, HE APPEARS READY TO MANIPULATE THE MAY 1989 PRESIDENTIAL ELECTION IN ORDER TO CONTINUE IN POWER.

--CENTRAL AMERICA. THE FAILURE TO APPROVE LETHAL AID FOR THE MEMBERS OF THE NICARAGUAN RESISTANCE (CONTRAS) IN FEBRUARY 1988 SERIOUSLY WEAKENED THEIR NEGOTIATING POSTURE WITH THE SANDINISTAS. THROUGH ALL OF THE UPS AND DOWNS OF THE LAST YEAR, IT IS IMPRESSIVE THAT THE RESISTANCE ENDURED AND MAINTAINED UNIT COHESION AND A LEVEL OF MILITARY EFFECTIVENESS. BECAUSE THEY SURVIVED, THEY ARE NOW IN A POSITION TO BENEFIT FROM THE PROVISIONS OF THE BUSH ADMINISTRATION'S BIPARTISAN ENDORSED PLAN FOR CONTINUED HUMANITARIAN AID THROUGH FEBRUARY 1990. THEY ARE ALSO AN IMPORTANT ELEMENT OF THE INCENTIVES/DISINCENTIVES APPROACH WE ARE CURRENTLY PURSUING WITH THE SANDINISTA REGIME.

--RADICALIZATION OF ELECTORATES. IN THE FACE OF ECONOMIC DEPRESSION, DEMOCRACY IN LATIN AMERICA HAS BEGUN TO SHOW SIGNS OF RADICALIZATION THIS PAST YEAR TO EITHER THE FAR RIGHT OR THE FAR LEFT.

--INSURGENCY AND NARCOTRAFFICKING. OVERALL WE HAVE SEEN THE SOCIAL DYNAMICS OF THE DRUG PROCESS PRODUCE FEUDAL-LIKE RELATIONS: THE NARCOTRAFFICKER ASSUMES THE POSITION OF MANORIAL LORD IN COCA-GROWING REGIONS AND IT IS HE, NOT THE CENTRAL GOVERNMENT, WHO DISPENSES SOCIAL SERVICES AND PROTECTION TO THE PEASANT COMMUNITY. TO RAISE FUNDS FOR HIS CAUSE, THE INSURGENT OPERATES FOR HIRE TO PROTECT THE DRUG LORD'S ILLICIT COMMERCE.

--PERU. THE SENDERO LUMINOSO RESORTED TO INCREASING VIOLENCE NATIONWIDE, WITH EMPHASIS ON THE COCA-GROWING UPPER HUALLAGA VALLEY. INFLATION ROCKETED TO OVER 1700% WHILE THE ECONOMY SPIRALLED DOWNWARD. DEMOCRACY FACES ITS GREATEST CHALLENGE IN PERU.

--COLOMBIA. KIDNAPPINGS, SOARING VIOLENT CRIME, INTIMIDATION BY NARCOTRAFFICKERS, AMBUSHES OF GOVERNMENT TROOPS, AND INSURGENT ADVANCES INCREASINGLY THREATENED TO PLUNGE THE OLDEST LATIN AMERICAN DEMOCRACY INTO ANARCHY. TO THEIR CREDIT, THE GOVERNMENT OF COLOMBIA AND THE SECURITY FORCES ARE INCREASINGLY COMMITTED TO THE WAR AGAINST THE TRAFFICKERS AND THE INSURGENTS.

--ARGENTINA, BRAZIL, VENEZUELA AND URUGUAY. AS PRESSURES AGAINST THE NARCOTRAFFICKERS MOUNTED IN THE SOURCE COUNTRIES, NEW COUNTRIES FOUND THEIR TERRITORY VIOLATED AS THE ILLICIT DRUG TRADERS SEARCHED FOR LESS-RISKY BASES OF PRODUCTION AND TRANSSHIPMENT TO THE U.S. AND TO WESTERN EUROPE.

--CUBA. WITH CUBA'S ECONOMY IN DISASTER AND TOTALITARIANISM STIFLING AS EVER, WE SAW STRONG MOVES BY CASTRO IN THE DIRECTION OF STATESMANSHIP. LAST SUMMER HE ONCE AGAIN MADE A MAJOR ENTRANCE ON THE LATIN SCENE DURING THE ECUADOR INAUGURATION OF PRESIDENT RODRIGO BORJA. HE BUILT ON THAT OPENING WHEN HE RETURNED FOR THE FIRST TIME IN 32 YEARS TO MEXICO, THE PLACE FROM WHICH HE LAUNCHED HIS REVOLUTION, TO PARTICIPATE IN PRESIDENT CARLOS SALINAS DE GORTARI'S INAUGURATION ON 1 DECEMBER. HIS LATEST APPEARANCE WAS IN CARACAS FOR THE INAUGURATION OF CARLOS ANDRES PEREZ IN FEBRUARY. THESE VISITS DEMONSTRATE A TACTICAL ADJUSTMENT IN CUBAN POLICY.

AT THE SAME TIME, CASTRO'S CONTINUED CALLS TO THE GROUP-OF-EIGHT COUNTRIES FOR A BOYCOTT OF INTERNATIONAL DEBT PAYMENTS DEMONSTRATE HIS ENDURING RADICAL ANTI-U.S. PHILOSOPHY. ONE OF THE POLICY CHALLENGES FOR THE U.S. WILL BE HOW TO DEAL (IF AT ALL) WITH A CASTRO WHO IS PERCEIVED AS MORE LEGITIMATE IN THE EYES OF CONTEMPORARY LATIN AMERICA AND WHO HAS BEEN ABLE TO RE-INTEGRATE HIMSELF INTO THE REGION. HE MAY WELL ACCOMPLISH THIS GOAL DESPITE CUBA'S APPALLING HUMAN RIGHTS RECORD AND NOTWITHSTANDING CUBA'S APPARENT REJECTION OF TO THE MODERATING INFLUENCES OF PERESTROIKA. THE SIMPLE TRUTH IS CASTRO HAS NOT ALTERED HIS FUNDAMENTAL MARXIST-LENINIST REVOLUTIONARY PHILOSOPHY AND INTERVENTIONIST STRATEGY IN LATIN AMERICA.

--PERESTROIKA AND LATIN AMERICA. LESS VIOLENT SOVIET BEHAVIOR IN THE THIRD WORLD, COMBINED WITH THE BANKRUPTCY OF SOCIALIST DOCTRINES FOR ECONOMIC DEVELOPMENT, CREATE RISKS AND OPPORTUNITIES FOR THE UNITED STATES IN LATIN AMERICA. NEEDED IS A CLEAR RECOGNITION BY U.S. AND LATIN LEADERS THAT THE SOVIET EXPANSIONARY DRIVE IS NEITHER BLUNTED NOR EXHAUSTED; RATHER IT SIMPLY MAY HAVE TAKEN ON A NEW FORM: EMPLOYING ECONOMIC, CULTURAL, AND DIPLOMATIC INSTRUMENTS WHICH PROMISE A HIGHER PAY-OFF THAN REVOLUTIONARY VIOLENCE. THIS ENHANCES THE SOVIET IMAGE AND GETS LATIN LEADERS ACCUSTOMED TO A BENIGN SOVIET FOOTHOLD IN THE REGION. NO LESS VISIBLY, HOWEVER, SOVIET SUPPORT OF THE SANDINISTAS AND SALVADORAN GUERILLAS, AND OTHER INSURGENCIES, CONTINUES TO FEED VIOLENCE IN THE REGION. GREATER VIGILANCE, NOT LESS, IS REQUIRED AS GORBACHEV SUCCEEDS IN PORTRAYING A LESS MENACING SOVIET UNION TO THE WORLD--PARTICULARLY WHILE IT REMAINS TO BE SEEN IF THE SOVIETS TRULY WANT PEACE IN CENTRAL AMERICA. AS JEAN FRANCOIS REVEL WARNS US: "A COMMUNIST REGIME CAN UNDERTAKE REFORM AT HOME WITHOUT CEASING TO BE A THREAT ABROAD".

IV. VISION AND OPPORTUNITY.

AS WE LOOK FORWARD TO THE NEXT FOUR YEARS, IT IS IMPORTANT THAT WE DEVELOP A COMPREHENSIVE STRATEGIC VISION FOR LATIN AMERICA. THAT VISION SHOULD BE ANCHORED IN AN UNDERSTANDING OF HOW LATIN AMERICA AFFECTS THE FULL SPECTRUM OF OUR NATIONAL INTERESTS: MILITARY DEFENSE, ECONOMIC WELL-BEING, INTERNATIONAL ORDER, AND THE PROTECTION OF OUR VALUES.

A PROSPEROUS DEMOCRATIC COMMUNITY OF NATIONS IN THIS HEMISPHERE IS INTEGRAL TO THAT VISION. EQUALLY IMPORTANT IS DECISIVE AUTHORITY--WHICH IS CONSENSUS AND LEADERSHIP IN OUR GOVERNMENT--WITHOUT WHICH IT IS IMPOSSIBLE TO ACHIEVE OUR STRATEGIC VISION. NICARAGUA, CUBA, AND PANAMA WILL CONTINUE TO TEST OUR COMMITMENT TO WHAT FORMER SECRETARY OF STATE GEORGE SHULTZ CALLED 'DEMOCRATIC SOLIDARITY'. DEVELOPMENTS IN THESE COUNTRIES, ALONG WITH THE BATTLE FOR DEMOCRACY IN EL SALVADOR, WILL REMAIN IMPORTANT CHALLENGES TO US. HOWEVER, THEY MUST BE PUT INTO THE POLICY BALANCE ALONG WITH THE INTERNATIONAL DEBT PROBLEM, DRUGS, AND THE REQUIREMENT FOR INCREASED TRADE AND INVESTMENT TO RESTART ECONOMIC GROWTH THROUGHOUT LATIN AMERICA. THE ANARCHY WHICH THREATENS PERU AND COLOMBIA IS AN EQUALLY PRESSING CONCERN.

IT MAY VERY WELL BE THAT LATIN AMERICA WILL NOT EMERGE FROM ITS ECONOMIC CRISIS FOR ANOTHER 10 - 15 YEARS. THE REGION IS NOW GROWING AT A MERE 0.6 PERCENT PER YEAR, WHICH IS WHY NEW YORK BANKERS ARE NOT PREDICTING AN ATTRACTIVE INVESTMENT CLIMATE BEFORE THE YEAR 2000.

THE REMEDIES WILL REQUIRE PROMPT CONSENSUS ACTION AMONG DECISION MAKERS IN BOTH THE UNITED STATES AND LATIN AMERICA. YET, THERE APPEARS TO BE LITTLE SENSE OF URGENCY IN THE HEMISPHERE, AND LESS BEYOND, TO DEVELOP THE COMMON STRATEGIES NECESSARY TO PROMOTE REGIONAL ECONOMIC GROWTH--A GROWTH THAT IS IMPORTANT TO OUR EXPORTS AND EMPLOYMENT. SECRETARY BRADY'S DEBT REDUCTION PROPOSAL MUST BE PURSUED VIGOROUSLY NOW THAT CONSENSUS IS BEGINNING TO EMERGE.

THERE IS ALSO A CLEAR THREAT THAT TODAY'S DIFFICULTIES IN SOME LATIN DEMOCRACIES MAY BE A PRELUDE TO ANOTHER ROUND OF AUTHORITARIANISM, SINCE MODERATE DEMOCRATIC REGIMES HAVE FAILED TO BRING PROMISED PROSPERITY. CYNICISM HAS REPLACED NASCENT CONFIDENCE IN POLITICAL LEADERSHIP, AND MORE RADICAL-POPULIST APPROACHES ARE GAINING APPEAL. SOME CURRENT AND PROSPECTIVE LEADERS WITHIN SOUTH AMERICA ARE ADOPTING STRIDENT, OFTEN ANTI-AMERICAN RHETORIC, AS THEY SEEK MASS APPROVAL. USUALLY THE MOVEMENT IS TO THE LEFT, BUT IN EL SALVADOR AND GUATEMALA IT IS TO THE RIGHT. THROUGHOUT THE HEMISPHERE, THE POPULARITY OF DEMOCRATIC GOVERNMENTS IS BEING ERODED BY REQUIRED ECONOMIC REFORM PROGRAMS INSTITUTED BY INTERNATIONAL FINANCIAL INSTITUTIONS AND SUPPORTED BY US, AND BY THE FAILURE OF ECONOMIC AND SOCIAL PROGRESS TO MATCH STRIDES IN THE POLITICAL ARENA.

AS I HAVE POINTED OUT, A LARGE NUMBER OF UPCOMING ELECTIONS WILL TEST THE DEMOCRATIC IDEAL BY BRINGING TO POWER EITHER A NEW BRAND OF POPULISM OR RESPONSIBLE LEADERSHIP. LATIN AMERICA IN THE NEXT TEN YEARS MAY INDEED DEVELOP AS A VARIANT OF THE INDIAN SUBCONTINENT: VERY MODERNIZED AND PROSPEROUS SECTORS, CO-EXISTING WITH SECTORS OF GROSS BACKWARDNESS AND POVERTY. THE PAUPERIZATION OF THE VAST LOWER CLASSES AND INCREASINGLY OF THE MIDDLE CLASSES IS A DISTURBING TREND. CHILE AND A FEW MORE COUNTRIES ARE BRIGHT SPOTS IN THIS SENSE, BUT THE POTENTIAL FOR NEW OUTBREAKS OF SOCIAL CONFLICT IN LATIN AMERICA IS GREATER NOW THAN AT ANY TIME IN THE LAST GENERATION. WITHOUT THE TONIC OF ECONOMIC GROWTH, DEMOCRACY FACES A GRIM FUTURE.

V. ACTION PLAN.

IMPROVED DIALOGUE. ADJUSTING OUR PRIORITIES IS THE NECESSARY FIRST STEP IN ACHIEVING OUR HEMISPHERIC GOALS. WE MUST RENEW EMPHASIS ON THE CORE ELEMENTS OF THE U.S.-LATIN AMERICAN RELATIONSHIP, STRENGTHENING THE SOCIAL, ECONOMIC, AND POLITICAL BASES OF DEMOCRACY. PROMOTING ECONOMIC GROWTH AND FIGHTING DRUG TRAFFICKING ARE FUNDAMENTAL TO THE TASK OF DEMOCRACY. ADJUSTING PRIORITIES WILL REQUIRE A CHANGE IN THE TONE OF OUR MESSAGES TO PROMOTE DIALOGUE. IF WE ARE NOT CAREFUL, WE CAN DISTANCE OURSELVES FROM LATIN AMERICAN DEMOCRACIES AND DISTRACT OURSELVES FROM OPPORTUNITIES WHICH COULD OTHERWISE STRENGTHEN THE ECONOMIES AND SOCIETIES OF ALL OF THE AMERICAS, INCLUDING THE UNITED STATES.

AS WE MOVE TOWARD INCREASED COOPERATION AND DIALOGUE, THE HOPE IS THAT THE LATINS WILL REPLY IN KIND, MAKING OUR EFFORTS IN THE AREAS OF NARCOTICS, INTERNATIONAL DEBT PAYMENTS, ILLEGAL IMMIGRATION, AND ENVIRONMENTAL IMPROVEMENT MORE PRODUCTIVE. WE LOOK FORWARD AS WELL TO GREATER MULTILATERAL COOPERATION IN DEVELOPING AND STRENGTHENING THE DEMOCRATIC FOUNDATIONS OF NICARAGUA AND PANAMA. AND WE RECOGNIZE THAT, ON THE HOME FRONT, WE MUST WORK TO HAVE ENLIGHTENMENT AND CONCERN REPLACE INDIFFERENCE AND MISTRUST IN THE WAY WE OFTEN VIEW LATIN AMERICA. THE DEMOCRATIC RENAISSANCE UNDERWAY IN LATIN AMERICA, WHICH WE DIRECTLY CORRELATE AS BENEFICIAL TO OUR NATIONAL SECURITY, IS FREQUENTLY MET WITH EITHER IGNORANCE OR SKEPTICISM AT HOME. THE CONGRESS CAN HELP TO EDUCATE THE AMERICAN PUBLIC AS TO THE REAL STAKES IN LATIN AMERICA.

CENTRAL AMERICA. THE GREATEST CHALLENGE FOR THE U.S. GOVERNMENT IS TO DEMONSTRATE OUR ENDURING COMMITMENT TO THIS TROUBLED REGION. CONSISTENT RESOURCE SUPPORT FOR DEMOCRACY, HUMAN RIGHTS, AND PEACE UNDERPINS OUR POLICY OF DEVELOPING HUMAN POTENTIAL IN CENTRAL AMERICA.

NICARAGUA REMAINS THE LARGEST HURDLE TO THE SUCCESSFUL PROSECUTION OF U.S. STRATEGY IN CENTRAL AMERICA. AIDED BY MASSIVE ECONOMIC AND MILITARY HARDWARE INJECTIONS FROM THE SOVIET UNION AND WITH CONTINUED AID FROM CUBA, THE SANDINISTAS HAVE MAINTAINED A REPRESSIVE DICTATORIAL REGIME. THERE HAS BEEN, HOWEVER, SOME RECENT LIMITED MOVEMENT TOWARD DEMOCRACY ON THE PART OF THE SANDINISTAS. THIS ACTIVITY NEEDS TO BE CLOSELY MONITORED AND NURTURED WHERE POSSIBLE. OUR NEWLY ACHIEVED BIPARTISAN UNITY, CAN HELP MAKE THE PROVISIONS OF THE ESQUIPULAS II PEACE PLAN AND THE TESORO BEACH DOCUMENT EFFECTIVE IN DEMOCRATIZING NICARAGUA. AS THE ACCORD SIGNED BY PRESIDENT BUSH AND THE LEADERSHIP OF BOTH HOUSES OF CONGRESS POINTS OUT, THE CENTRAL AMERICAN PEACE PROCESS CAN BE SUCCESSFUL IF IT IS BASED ON AGREEMENTS WHICH CONTAIN '...CREDIBLE STANDARDS OF COMPLIANCE, STRICT TIMETABLES FOR ENFORCEMENT, AND EFFECTIVE ONGOING MEANS TO VERIFY BOTH THE DEMOCRATIC AND SECURITY REQUIREMENTS OF THOSE AGREEMENTS.' AS WE WORK TO DEVELOP THE MECHANISMS TO ACHIEVE THESE STANDARDS, OUR GOALS NEED TO BE: TO WORK WITH THE CENTRAL AMERICAN DEMOCRATIC PRESIDENTS; AND, TO CONTINUE TO WORK WITH THE U.S. CONGRESS TO FORGE EFFECTIVE, DURABLE, BIPARTISAN POLICY DESIGNED TO SECURE FULLY OUR INTERESTS OF PEACE AND SECURITY THROUGH DEMOCRACY IN CENTRAL AMERICA. I AM CONVINCED THAT THERE ARE WAYS TO ACHIEVE THESE GOALS AND STILL NOT ABANDON THE NICARAGUAN RESISTANCE TO SANDINISTA REPRISAL.

AS WE WRESTLE WITH NEW IDEAS FOR MEETING THE CHALLENGES IN CENTRAL AMERICA, WE WOULD DO WELL TO CONSULT THE KISSINGER COMMISSION BIPARTISAN REPORT ON CENTRAL AMERICA OF 1984. MANY OF ITS RECOMMENDATIONS, PARTICULARLY THOSE ON THE NEED FOR ECONOMIC, EDUCATIONAL, AND SECURITY ASSISTANCE ARE AS VALID TODAY AS THEY WERE FIVE YEARS AGO, INCLUDING THE POINTS THE COMMISSION MADE REGARDING PANAMA. THE RECENTLY COMPLETED REPORT OF THE INTERNATIONAL COMMISSION FOR CENTRAL AMERICAN RECOVERY AND DEVELOPMENT (SANFORD COMMISSION) ALSO POSITS SOME VERY USEFUL RECOMMENDATIONS FOR ADDRESSING THE REGION'S ILLS.

PANAMA. ALTHOUGH PANAMA IS STILL OF MAJOR STRATEGIC IMPORTANCE, AND POLITICO-MILITARY EVENTS IN THAT COUNTRY HAVE A SIGNIFICANT IMPACT ON U.S. INTERESTS WITHIN THE REGION, WE SHOULD NOT ALLOW THE CURRENT CRISIS TO DOMINATE OUR OVERALL CONCERNS FOR LATIN AMERICA. WE NEED TO EXAMINE ALTERNATE WAYS TO RESOLVE THE PROBLEM. THE KISSINGER COMMISSION NOTED IN REFERENCE TO PANAMA THAT: "...ANY THREAT TO THE POLITICAL SECURITY OF THAT COUNTRY AND TO THE MAINTENANCE OF FRIENDLY RELATIONS WITH THE UNITED STATES AUTOMATICALLY CONSTITUTES A STRATEGIC THREAT." AS WE GAUGE THE DEPTH OF OUR FUTURE COMMITMENT TO HELP BRING DEMOCRACY TO PANAMA, NOW BARELY A MONTH AWAY FROM WHAT COULD EASILY BE A SHAM DEMOCRATIC ELECTION, WE WOULD DO WELL TO KEEP THIS THOUGHT IN MIND. IN THIS RESPECT, WE NEED TO BRING MAXIMUM INTERNATIONAL ATTENTION TO BEAR IN THE HOPES OF FORCING HONEST ELECTIONS. ADDITIONALLY, WHEN PANAMA CORRECTS ITS COURSE, THE U.S. GOVERNMENT SHOULD BE READY TO OFFER A COMPREHENSIVE, LONG-TERM ASSISTANCE PROGRAM DESIGNED TO REPAIR THE MASSIVE ECONOMIC DAMAGE WHICH NORIEGA HAS PRECIPITATED ON THAT NATION. LEST OUR INTENTIONS ARE MISUNDERSTOOD, AND TO AVOID MISINFORMATION ON THE SUBJECT, WE ALSO SHOULD CONTINUE TO PUBLICIZE OUR PLANS TO IMPLEMENT FULLY THE PANAMA CANAL TREATIES.

EL SALVADOR. WE MUST MAINTAIN OUR SUPPORT FOR SALVADORAN DEMOCRACY NOW THAT THE ARENA PARTY IS THE DECLARED WINNER OF THE RECENTLY CONDUCTED PRESIDENTIAL ELECTION. CONTINUATION OF THE PROGRESS MADE UNDER PRESIDENT JOSE NAPOLEON DUARTE IN THE AREAS OF POLITICAL AND CIVIL LIBERTIES MUST BE FIRST PRIORITY OF PRESIDENT ELECT ALFREDO CRISTIANI. ANY ACTIONS TO REDUCE OUR SUPPORT SHOULD BE BASED ON DEMONSTRATED FAILURE TO SUPPORT FULLY THESE CRUCIAL ADVANCES.

EL SALVADOR SHOULD RECEIVE $97.5 MILLION A YEAR JUST TO SUSTAIN THE MILITARY STRATEGY AT CURRENT LEVELS OF OPERATION. FUNDING AT APPROXIMATELY $90 MILLION (THE FY 1989 LEVEL IS $85 MILLION) WILL CONTINUE TO PROVIDE FOOD, AMMUNITION AND FUEL, BUT IT WILL NOT REPLACE COMBAT LOSSES AND ATTRITION OF HELICOPTERS, SMALL ARMS, AND COMMUNICATIONS GEAR.

HONDURAS. THIS FRAGILE DEMOCRACY REMAINS CRITICALLY IMPORTANT TO OUR PURSUIT OF A COHERENT STRATEGY IN CENTRAL AMERICA. IT ALSO FACES A PRESIDENTIAL ELECTION DURING THIS YEAR, AND WE MAY SEE HONDURAN NATIONALISM MANIFEST ITSELF PRIOR TO THE ELECTIONS IN THE FORM OF SOME ANTI-U.S. SENTIMENT. CALLS FOR REDUCTIONS IN OUR FORCE PRESENCE IN HONDURAS AND DEMANDS FOR A LESSENING OF OUR COMBINED EXERCISES WITH THE HONDURAN ARMED FORCES ARE EXPECTED FROM A MINORITY. WORKING WITH THE DEMOCRATICALLY-ELECTED GOVERNMENT, OUR COMMITMENT TO THE SECURITY AND THE DEVELOPMENT OF THIS COUNTRY MUST REMAIN STRONG.

AND IT MUST BE RESOURCED ACCORDINGLY. FROM A REGIONAL PERSPECTIVE, THE WORST THING WHICH WE COULD DO WOULD BE TO REDUCE EITHER OUR PRESENCE OR EXERCISE LEVEL WITHOUT SECURING FOR HONDURAS (AND THE OTHER REGIONAL DEMOCRACIES) DEFINITIVE EVIDENCE OF SANDINISTA DEMILITARIZATION AND A REVERSAL OF ITS SUBVERSIVE FOREIGN POLICY.

SOUTH AMERICA.

I AM CONVINCED OF THE NEED FOR A BALANCED POLICY TO SECURE OUR NATIONAL INTERESTS SOUTH OF PANAMA. IN A BROAD SENSE, OUR CHALLENGE IN SOUTH AMERICA IS TO AVOID DEBT DEFAULT AND EXTREME POLITICAL SWINGS. WE NEGLECT DEVELOPMENTS THERE AT GREAT RISK. THE THEMES ARE PENETRATING: ENVIRONMENTAL DESTRUCTION AND DRUG PRODUCTION ARE THE ONES WHICH IMPACT MOST KEENLY ON THE UNITED STATES. HOWEVER, THE PROBLEMS ARE ALSO SEVERE FOR DEMOCRATIC COUNTRIES WHICH CAN NOT PROVIDE JOBS, BECAUSE THEY HAVE INHERITED DEBT SERVICE PAYMENTS TOO HIGH TO ALLOW FOR ECONOMIC GROWTH. ADDITIONALLY, THE REALITY OF INSURGENT VIOLENCE HAS A POTENTIALLY DEVASTATING IMPACT ON SEVERAL OF THE DEMOCRACIES, PARTICULARLY IN THE ANDEAN REGION.

IT IS TRUE THAT THE ACTIONS OF THE UNITED STATES AGAINST ILLEGAL DRUGS IN OTHER COUNTRIES CAN NEVER SUCCEED UNLESS OUR DOMESTIC APPETITE FOR THESE POISONS IS ELIMINATED OR GREATLY REDUCED. NONETHELESS, IT IS CRITICAL THAT WE DO EVERYTHING WE CAN IN THE INTERNATIONAL ARENA TO CURB COCA CROP GROWTH AND INTERDICT ILLEGAL DRUG PRODUCTION AND SHIPMENT. HERE, IT IS IMPORTANT TO FOCUS ON THE CRITICAL NODES OF NARCOTRAFFICKER ACTIVITY: THE CASH AND MONEY LAUNDERING DIMENSION REPRESENT UNIQUE LAW ENFORCEMENT AND INTELLIGENCE OPPORTUNITIES FOR IDENTIFYING AND INTERCEPTING CASH FLOWS. PRECURSOR CHEMICALS, THE DRUG LEADERSHIP, ROUTES OF INGRESS AND EGRESS ARE OTHER NODES ON WHICH WE COULD PRODUCTIVELY FOCUS INTERAGENCY COOPERATIVE EFFORTS TO ATTACK NARCOTRAFFICKER VULNERABILITIES.

OVERALL, I SEE A NEED FOR A COMPREHENSIVE BIPARTISAN REVIEW OF THE ACTIONS WHICH SHOULD BE TAKEN, SIMILAR TO WHAT THE KISSINGER COMMISSION DID IN CENTRAL AMERICA. A REVIEW FOR THE SOUTHERN CONE COUNTRIES AND ANOTHER FOR THE ANDEAN RIDGE COUNTRIES MIGHT BE THE MOST PRODUCTIVE WAY TO PROCEED.

ARGENTINA. ARGENTINE DEMOCRACY HAS SHOWN AN ENDURANCE WHICH FEW WOULD HAVE PREDICTED. THE MILITARY HAVE DEMONSTRATED THEIR SUPPORT FOR DEMOCRACY AND ALSO FOR IMPROVED INTERACTION WITH THE U.S. MILITARY. THE FUTURE POLICY CHALLENGE OF THE U.S. COULD WELL BE THE BUFFERING OF THE IMPACT OF A DEMOCRATICALLY ELECTED POPULIST PRESIDENT WITH STRONG EXTREMIST SUPPORT. OUR SECURITY INTERESTS WOULD BEST BE SERVED IF WE COULD OPEN MEANINGFUL, SMALL SCALE, MILITARY-TO-MILITARY CONTACTS SUCH AS LOGISTICS AND MAINTENANCE TRAINING TEAMS; COMPUTER WARGAMING AND COMMAND POST COMBINED EXERCISES. A SECURITY ASSISTANCE ALLOCATION AT THIS TIME OF APPROXIMATELY $10 MILLION WOULD ALSO GO A LONG WAY TOWARD PROMOTING A MILITARY WHICH CONTINUES TO SUPPORT DEMOCRATIC CIVILIAN CONTROL.

IN CHILE WE HAVE AN OPPORTUNITY MORE POSITIVELY TO RECOGNIZE THE COUNTRY'S MOVE TOWARD DEMOCRACY AND THE PRESIDENTIAL ELECTIONS SCHEDULED FOR DECEMBER OF THIS YEAR--AN ELECTION WHICH WILL RETURN POWER TO A CIVILIAN EXECUTIVE. THE U.S. CONGRESS

CAN HELP BY REMOVING OR REDUCING SOME OF THE RESTRICTIONS ON OUR MILITARY-TO-MILITARY PROGRAMS AND CONTACTS WITH THE CHILEAN ARMED FORCES. OUR EFFORTS WOULD FOCUS ON SECURING MILITARY SUPPORT DURING CHILE'S DEMOCRATIC TRANSITION. BY VIRTUE OF OUR CONTACTS, WE WOULD HELP TO BUFFER WHATEVER ROUGH SPOTS THERE MIGHT BE DURING THIS PROCESS. THIS IS ONE POTENTIALLY VERY EFFECTIVE WAY IN WHICH THE U.S. SOUTHERN COMMAND CAN PROMOTE THE DEMOCRATIC PROCESS IN CHILE.

PARAGUAY. SIMILARLY, IN PARAGUAY CIRCUMSTANCES ARE FAVORABLE FOR BEGINNING THE PROCESS OF DEMOCRATIC DEVELOPMENT. WORKING IN SUPPORT OF OUR AMBASSADOR, U.S. SOUTHERN COMMAND'S ACTION PLAN IS TO USE THE TOOLS AVAILABLE TO US TO DEEPEN OUR DIALOGUE WITH THE PARAGUAYAN MILITARY TO SUPPORT THE DEVELOPMENT OF DEMOCRACY.

ANDEAN RIDGE.

FOREMOST ON THE AGENDA IN THIS MAJOR COCA-PRODUCING REGION IS THE NEED FOR THE DEVELOPMENT OF A COHERENT U.S. GOVERNMENT STRATEGY. THE DEMOCRACIES OF BOLIVIA, COLOMBIA, ECUADOR, PERU, AND VENEZUELA ARE CHALLENGED BY DIFFERING MIXES OF ECONOMIC DIFFICULTIES, THE EFFECTS OF THE ILLICIT DRUG TRADE, AND INSURGENT VIOLENCE AND TERROR. DEVELOPMENTS IN THIS REGION DIRECTLY CHALLENGE TWO OF OUR MOST IMMEDIATE CONCERNS, THE SECURITY OF DEMOCRACIES IN THE HEMISPHERE AND THE FLOW OF ILLEGAL DRUGS INTO THE U.S. I DO NOT KNOW IF THERE IS, IN FACT, AN INTERVENTIVE SOLUTION FOR THE DRUG PROBLEM. HOWEVER, IF WE ARE TO HAVE ANY CHANCE OF SUCCESS AT THE SOURCE, WE MUST ATTACK THE PROBLEM AS ONE PART OF A COMPLEX SOCIAL, CULTURAL, AND ECONOMIC PHENOMENON, WHICH BEGINS LARGELY IN THE ANDEAN RIDGE.

IT IS IN THE ANDEAN RIDGE WHERE THE INTERPLAY OF DRUGS AND INSURGENCY IS STRONGEST AND WHERE WE MIGHT, WITH THE HELP OF CONGRESS, DEVELOP EFFECTIVE WAYS TO STRENGTHEN DEMOCRACY. U.S. FINANCIAL AID TIED TO DEMONSTRATED ACTION AGAINST DRUG CULTIVATION AND TRAFFICKING IS ONE GENERAL APPROACH WHICH I THINK IS WORTH PURSUING.

SECURITY ASSISTANCE.

IF THE DEVELOPMENT OF ALLIED THIRD WORLD MILITARIES WHICH ARE BOTH COMPETENT AND SUPPORTIVE OF LEGITIMATELY ELECTED GOVERNMENTS IS IN THE INTEREST OF THE UNITED STATES, THEN YOU MUST UNFETTER THE SECURITY ASSISTANCE PROGRAM. IN ADDITION, WE NEED SOME STABILITY IN THE APPROPRIATIONS; WITHOUT BEING ABLE TO PREDICT SECURITY ASSISTANCE LEVELS, NEITHER WE NOR HOST COUNTRY MILITARIES CAN PLAN EFFECTIVELY FROM ONE YEAR TO THE NEXT. THE IMPACT OF THIS WOULD BE FAR LESS WERE IT NOT FOR EARMARKING, LEGISLATIVE RESTRICTIONS AND, MOST DISAPPOINTING, THE LACK OF FLEXIBILITY TO SUPPORT OUR POLICY INITIATIVES.

THE TOTAL MILITARY ALLOCATION FOR SECURITY ASSISTANCE TO THE SOUTHERN COMMAND REGION REPRESENTS ONLY ABOUT THREE PERCENT OF THE WORLD-WIDE TOTAL. THIS UNDERFUNDING IS DEVASTATING AND IS EXACERBATED BY EARMARKING. IN THESE DAYS OF SHRINKING OVERALL FUNDS, EARMARKING TIED TO A PREVIOUS YEAR'S DOLLAR-LEVEL HURTS DISPROPORTIONATELY. IN FY 1985 ONLY 46% OF ALL 'MAP' DOLLARS WERE EARMARKED FOR SPECIFIC COUNTRIES. BY FY 1989 THIS TOTAL HAS GROWN TO ALMOST 94%. ANOTHER MEASURE IS THAT WHILE IN FY

1985 U.S. SECURITY ASSISTANCE WENT TO 50 NATIONS. IN FY 1989, WE HAVE ACCESS TO ONLY 30 COUNTRIES VIA THIS CHANNEL. FOR ME, THIS MEANS THAT MY SMALL BUT IMPORTANT COUNTRY PROGRAMS HAVE BEEN SQUEEZED EVEN FURTHER.

THERE IS ALSO LITTLE CAPABILITY WITHIN THE SYSTEM TO ADAPT TO THE TYPE OF THREAT WHICH WE FACE IN LATIN AMERICA. IN THIS ENVIRONMENT, IF THE FIGHTING STARTS, IT MEANS THAT YOU HAVE ALREADY GONE A DISTANCE TOWARD LOSING THE WAR. FOR THIS REASON, ENCOURAGING COUNTRIES TO DEVELOP EFFECTIVE COUNTER-INSURGENCY STRATEGIES, A DELICATE AND CHALLENGING PROCESS, BECOMES AS IMPORTANT AS PROVIDING ARMS AND EQUIPMENT. POLICIES THAT MAKE SENSE WHEN WE ARE TALKING ABOUT SELLING MODERN, MAJOR, AND HIGHLY SOPHISTICATED WEAPONS SYSTEMS TO OTHER COUNTRIES QUICKLY LOSE THEIR LOGIC WHEN APPLIED TO LOW-TECHNOLOGY, AND OFTEN (FOR OUR PURPOSES) OBSOLETE MILITARY EQUIPMENT.

POLICE TRAINING. THERE IS A CONTINUING NEED FOR RELAXATION OF SECTION 660 OF THE FOREIGN ASSISTANCE ACT, WHICH PRECLUDES U.S. TRAINING AND EQUIPPING OF HOST COUNTRY POLICE FORCES. WE SHOULD BE ALLOWED TO TRAIN POLICE PERSONNEL IN ANY COUNTRY WHICH HAS AN ELECTED DEMOCRATIC GOVERNMENT AND DOES NOT DEMONSTRATE A CONSISTENT PATTERN OF VIOLATIONS OF INTERNATIONALLY RECOGNIZED HUMAN RIGHTS. THIS WOULD ALLOW US INTER ALIA TO INTERFACE MORE EFFECTIVELY WITH HOST COUNTRY POLICE, OFTEN PARA-MILITARY FORCES INVOLVED IN COUNTERING INSURGENCY.

ANOTHER INITIATIVE WHICH I WOULD PROPOSE IS TO PROVIDE EXCESS DEPARTMENT OF DEFENSE MATERIEL, AT NO COST, TO HELP COMBAT DRUGS AND INSURGENCY. CONGRESSIONAL AUTHORITY SIMILAR TO THAT GRANTED UNDER SECTION 516 OF THE FOREIGN ASSISTANCE ACT, WHICH ALLOWS FOR THE MODERNIZATION OF THE ARMED FORCES OF THE NATO SOUTHERN FLANK COUNTRIES, IS WHAT IS REQUIRED. HOWEVER, THIS MATERIEL SHOULD INCLUDE THE ITEMS NEEDED IN THIS REGION--EQUIPMENT SUCH AS UNIFORMS, TENTS, MEDICAL SUPPLIES AND EQUIPMENT, TACTICAL RADIOS, SMALL ARMS, AMMUNITION, HELICOPTERS, RIVERINE CRAFT, COUNTER-INSURGENCY AIRCRAFT, CONSTRUCTION EQUIPMENT AND RUGGED TERRAIN VEHICLES. COUNTRIES WOULD PAY TRANSPORTATION COSTS, AND AN UPPER LIMIT SHOULD BE ESTABLISHED ON THE AMOUNT OF MATERIEL TRANSFERRED IN ANY ONE YEAR.

LETHAL AID SANCTIONS AGAINST GUATEMALA. THIS CENTRAL AMERICAN COUNTRY IS NOW MORE THAN THREE YEARS INTO ITS DEMOCRATIC EXPERIMENT AND IS STILL AT WAR AGAINST CUBAN SUPPORTED INSURGENTS. IT HAS EARNED A MODIFICATION, IF NOT A REPEAL, OF THE CONGRESSIONALLY IMPOSED SANCTION WHICH PRECLUDES THE PURCHASE OF LETHAL MILITARY EQUIPMENT WITH U.S. SECURITY ASSISTANCE DOLLARS. BECAUSE OF THESE RESTRICTIONS, THE GUATEMALAN ARMED FORCES CANNOT DO BASIC THINGS SUCH AS ADEQUATELY PROTECTING MEDEVAC HELICOPTERS AS THEY EXTRACT WOUNDED SOLDIERS. THEY ALSO CANNOT BUY ENGINES FOR THE A-37 AIRCRAFT WHICH PROVIDE CLOSE-AIR SUPPORT TO THEIR GROUND COMBAT UNITS. IT HAS BEEN THREE YEARS SINCE WE REINSTATED OUR SECURITY ASSISTANCE TO THIS COUNTRY. THE GUATEMALAN ARMED FORCES HAVE RESPONDED TO OUR INCENTIVES, HAVE IMPROVED THEIR HUMAN RIGHTS PERFORMANCE, AND HAVE EARNED A LIFTING OR A LESSENING OF OUR SANCTIONS.

MILITARY ACTIVITIES. I NEED CONTINUING SUPPORT OF THE CONGRESS FOR MY JCS EXERCISE ACTIVITY. AFTER SECURITY ASSISTANCE, THIS REPRESENTS A MAJOR TOOL FOR CARRYING OUT MY OVERALL MILITARY STRATEGY OF MAINTAINING A SECURE SOUTH FLANK. IN HONDURAS AND IN AN INCREASING NUMBER OF OTHER COUNTRIES, THESE EXERCISES ENHANCE DETERRENCE BY SIGNALLING A FIRM COMMITMENT TO THE AREA, AND HELP TO IMPROVE HOST COUNTRY READINESS. THEY ALSO PROVIDE A VALUABLE SOURCE OF TRAINING FOR THE U.S. MILITARY.

THERE ARE A NUMBER OF OTHER IMPORTANT ACTIVITIES WHICH ALL ADVANCE OUR SECURITY INTERESTS WHILE PROVIDING VALUABLE TRAINING FOR OUR MILITARY PERSONNEL. I WOULD MENTION THE SCHOOL OF THE AMERICAS; INTELLIGENCE SHARING ACTIVITIES; DEPLOYMENTS FOR TRAINING, BOTH OPERATIONAL AND LOGISTICAL; UNIT AND PERSONNEL EXCHANGE PROGRAMS; INSTRUCTOR AND SUBJECT MATTER EXPERT EXCHANGES; AND HUMANITARIAN AND CIVIC ASSISTANCE INITIATIVES, ALL OF WHICH CONTRIBUTE TO REGIONAL MILITARY STABILITY. THE SERVICES' POSITIVE CONTRIBUTIONS IN EACH OF THESE LOW VISIBILITY BUT HIGH IMPACT PROGRAMS HAVE BEEN GROWING, AND I AM CONTINUALLY REASSURED BY THEIR COMMITMENT TO OUR SOUTHERN FLANK.

HUMANITARIAN AND CIVIC ASSISTANCE PROGRAMS. WHILE MENTIONED ABOVE, THIS SUBJECT DESERVES ADDITIONAL COMMENT. FOR 1985 AND 1986 OUR ONLY AUTHORITY TO FUND HUMANITARIAN AND CIVIC ASSISTANCE ACTIVITIES WAS THE STEVENS AMENDMENT TO THE DOD APPROPRIATIONS ACT. THIS AMENDMENT ALLOWED FOR THE USE OF EXERCISE FUNDS FOR HUMANITARIAN AND CIVIC ASSISTANCE ACTIVITIES WHICH WERE INCIDENTAL TO OUR EXERCISES. HOWEVER, THE NEEDS FOR HUMANITARIAN AND CIVIC ASSISTANCE IN THIS LARGELY UNDERDEVELOPED PART OF THE WORLD FAR EXCEEDED OUR AUTHORIZED ACTIVITIES.

WE GAINED A MAJOR IMPROVEMENT IN OUR HUMANITARIAN CAPABILITY WHEN CONGRESS ENACTED SECTION 401 OF TITLE 10, U.S. CODE AS PART OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FY 87. THIS ENABLED US TO CARRY OUT HUMANITARIAN AND CIVIC ASSISTANCE ACTIVITIES "IN CONJUNCTION WITH" AUTHORIZED OPERATIONS, PROVIDED THESE ACTIVITIES PROMOTE U.S. GOVERNMENT AND HOST COUNTRY SECURITY INTERESTS AND THE READINESS SKILLS OF THE U.S. MILITARY WHO PARTICIPATE IN THE ACTIVITIES. THIS PROGRAM WAS FUNDED IN EXCESS OF $2.6 MILLION IN FY 89, A TREMENDOUS WINDFALL FOR SOUTHERN COMMAND. WE NOW HAVE THE CAPABILITY TO USE BOTH THE HUMANITARIAN AND CIVIC ASSISTANCE PROGRAM AND THE STEVENS AMENDMENT TO INCREASE OUR POSITIVE IMPACT ON THE LOCAL COMMUNITIES WHERE WE TRAIN. THE LEVELS OF FUNDING WITH WHICH WE ARE DEALING ARE STILL VERY SMALL (THE ENTIRE DOD AUTHORITY FOR FY 87-91 IS $16.4 MILLION), PARTICULARLY WHEN MEASURED AGAINST THE GAINS IN TERMS OF INFRASTRUCTURE DEVELOPMENT IN THE HOST COUNTRIES. I WANT THE COMMITTEE AND THE CONGRESS TO KNOW HOW VALUABLE THE NEW TITLE 10 AUTHORITIES ARE TO MY EFFORTS IN SOUTHCOM.

KEY PROGRAMS. I NEED SIMPLE AND ECONOMICAL EQUIPMENT TO BETTER ACCESS MY THEATER, PARTICULARLY IN THE AIR AND ON WATER. DEEP DRAFT BOATS AND C-130 AIRCRAFT CANNOT REACH LARGE SECTIONS OF LATIN AMERICA PLAGUED BY NATURAL DISASTERS OR DOMINATED BY INSURGENCIES AND DRUG LORDS. ONLY EIGHT PERCENT OF THE 10,000 PLUS AIRFIELDS WHICH EXIST IN LATIN AMERICA ARE USABLE TO THE C-130 AIRCRAFT. THE SHORT TAKE OFF AND LANDING (STOL), C-27 AIRCRAFT WILL OPEN ALMOST ALL (92%) OF WHAT IS NOT ACCESSIBLE TO ME NOW.

SIMILARLY, MUCH OF THE 50,000 MILES OF INLAND WATERWAYS AND 35,000 MILES OF COASTLINE IN LATIN AMERICA ARE INACCESSIBLE GIVEN MY CURRENT FORCE CAPABILITIES. CONTINUED SUPPORT FOR NAVY SPECIAL WARFARE UNITS WILL IMPROVE OUR CAPABILITY TO ASSIST HOST COUNTRY RIVERINE AND COASTAL DEFENSE FORCES.

ANOTHER INITIATIVE, THE CARIBBEAN BASIN RADAR NETWORK (CBRN) WILL ENHANCE REGIONAL SECURITY AND OFFERS THE POTENTIAL FOR GREATER HOST COUNTRY INVOLVEMENT IN OUR COUNTER DRUG EFFORTS. THIS RADAR NETWORK WILL ALLOW US TO IDENTIFY AND TRACK SMALL AIRCRAFT ALONG CRITICAL DRUG TRANSSHIPMENT ROUTES OUT OF LATIN AMERICA INTO THE U.S. IT WILL ALSO PROVIDE HOST COUNTRIES AN INCREASED AIRSPACE MANAGEMENT, AIR DEFENSE, AND SEARCH AND RESCUE CAPABILITY. WHEN COMPLETED, THIS U.S. AIR FORCE PROGRAM WILL HAVE 13 RADARS AND TWO REGIONAL OPERATIONS CENTERS AND WILL PROVE VERY BENEFICIAL IN THE SOUTHERN COMMAND AREA OF RESPONSIBILITY.

EDUCATION AND TRAINING. IT IS IMPERATIVE THAT CONGRESS HELP TO ESTABLISH A COMPREHENSIVE PROGRAM AIMED AT BRINGING LATIN AMERICANS FROM ALL SEGMENTS OF SOCIETY TO THE USA FOR STUDY. WE NEED MORE LATIN YOUTHS EXPOSED TO OUR SYSTEM OF GOVERNMENT AND TO OUR DEMOCRATIC WAY OF LIFE. THE SOVIET UNION, CUBA, AND OTHER EAST BLOC NATIONS HAVE BEEN PROVIDING OVER 10,000 ACADEMIC SCHOLARSHIPS PER YEAR TO LATIN AMERICAN STUDENTS. THE UNITED STATES PROVIDES FAR FEWER, HAVING FUNDED ONLY 2700 IN ACADEMIC YEAR 87/88. THE IMPACT COULD BE SIGNIFICANT IN THE LONG RUN, AS THOUSANDS OF BLOC-EDUCATED STUDENTS RETURN HOME AND OCCUPY POSITIONS OF INCREASING AUTHORITY WITHIN THEIR LOCAL COMMUNITIES AND NATIONAL GOVERNMENTS. USAID HAS INSTITUTED A SMALL, HIGHLY SUCCESSFUL UNDERGRADUATE PROGRAM WHICH BRINGS TALENTED, BUT DISADVANTAGED CENTRAL AMERICAN STUDENTS TO THE U.S., BUT WE NEED TO DO MUCH MORE THROUGHOUT LATIN AMERICA.

PEOPLE--MY STRATEGIC RESERVE. EACH MEMBER OF MY MILITARY COMMAND IS AN IMPORTANT ASSET FOR ME. I DO NOT HAVE LARGE NUMBERS OF SOLDIERS, SAILORS, AIRMEN, OR MARINES, AND THOSE WHOM I DO HAVE ARE OFTEN NOT VERY SENIOR IN COMPARISON WITH LARGER UNIFIED COMMANDS. AS A RESULT, I ENTRUST THE SUCCESS OF MOST OF MY INITIATIVES TO YOUNG LIEUTENANTS, SERGEANTS, AND SOMETIMES MORE JUNIOR ENLISTED PERSONNEL. THESE PEOPLE ARE MY "DIPLOMATS," AND ARE RESPONSIBLE FOR CONVEYING MY MESSAGE TO THEIR LATIN MILITARY COUNTERPARTS. NEEDLESS TO SAY, OUR YOUNG PEOPLE DO A TREMENDOUS JOB OF THIS. THEY SERVE PROUDLY AND LOYALLY, AND THEY DO ALL THAT WE, THEIR LEADERS, ASK OF THEM.

I KNOW THAT YOU RECOGNIZE WHAT THESE PEOPLE ACCOMPLISH UNDER OFTEN DIFFICULT CIRCUMSTANCES, OVERSEAS, AND WITHOUT MANY OF THE COMFORTS AND FREEDOMS THAT MOST OF THEIR CONTEMPORARIES TAKE FOR GRANTED. THE MILITARY PERSONNEL WHOM I SEE IN THE FIELD DO NOT ASK FOR MUCH. THEY ALMOST NEVER COMPLAIN--AND WHEN THEY DO, THEY ARE RIGHT MORE OFTEN THAN NOT. PARTICULARLY ADMIRABLE HAVE BEEN THOSE TROOPS AND THEIR FAMILIES WHO HAVE HAD TO ENDURE THE UNPLEASANT PRESSURES OF HARASSMENTS BY THE PANAMANIAN DEFENSE FORCES. IN OTHER COUNTRIES, THE OBVIOUS SATISFACTION WHICH OUR PEOPLE DERIVE FROM CHALLENGING TRAINING AND REWARDING PEACETIME INTERFACE WITH THEIR LATIN COUNTERPARTS IS SIGNIFICANT FOR THEM, BUT, IT IS NOT ENOUGH BY ITSELF. IT IS IMPORTANT THAT WE TAKE CARE OF THESE YOUNG AMERICANS IN A MANNER WHICH WILL ENSURE THEIR REENLISTMENT WHEN THEIR INITIAL OBLIGATIONS ARE UP.

PROVIDING THEM WITH ADEQUATE PAY, HOUSING, AND MEDICAL AND DENTAL CARE FOR THEMSELVES AND THEIR FAMILIES ARE THE MINIMUM ESSENTIAL REQUIREMENTS. I ASK YOUR CONTINUED SUPPORT IN TAKING CARE OF OUR PEOPLE.

VI. CONCLUSION.

I HAVE TRIED TO SPELL OUT THE MAGNITUDE OF THE CHALLENGES AND AN ACTION PLAN TO PURSUE OUR INTERESTS IN LATIN AMERICA. THERE ARE SOME, I AM SURE, WHO WILL CONTEND THAT THE SITUATION IS IMPOSSIBLY BLEAK, THAT THE PROBLEMS ARE INTRACTABLE, AND THAT WE WOULD BE WELL ADVISED NOT TO BECOME FURTHER INVOLVED IN SUCH A MORASS. HOWEVER, I AM CONVINCED THAT INDIFFERENCE AND DISENGAGEMENT WOULD BE DISASTROUS FOR THE UNITED STATES.

THERE ARE NO EASY NOR QUICK SOLUTIONS FOR THE PROBLEMS WHICH WE FACE IN THIS HEMISPHERE. AND, WHILE I FULLY RECOGNIZE THE IMPERATIVES OF DEFICIT-DRIVEN TIGHT BUDGET DOLLARS, I ALSO KNOW THAT WE ARE DEALING WITH PROBLEMS IN LATIN AMERICA WHICH ARE GOING TO BE VASTLY MORE EXPENSIVE TO FIX LATER, IF WE DO NOT RESOLVE THEM NOW. THE PATIENCE AND COMMITMENT REQUIRED TO GENERATE SOLUTIONS ARE DEAR COMMODITIES. BUT, WE MUST PAY ATTENTION, AND REORIENT OUR EFFORTS IF NECESSARY, IF WE ARE TO SECURE OUR LONG-TERM INTERESTS IN THIS HEMISPHERE.

OUR CONTINUING CELEBRATION OF THE U.S. CONSTITUTION'S BICENTENNIAL SHOULD RESONATE TO STRENGTHEN THE DEMOCRATIC IDEAL OF GOVERNMENT FOR THE PEOPLE AND BY THE PEOPLE THROUGHOUT THE WESTERN HEMISPHERE. LET US COMMIT OURSELVES TO A STRATEGIC VISION THAT RECOGNIZES THE COMMUNITY OF DEMOCRATIC INTERESTS NORTH AND SOUTH. OUR NATIONAL SECURITY DEPENDS UPON IT. OUR STRATEGIC RESPONSE SHOULD DO JUSTICE TO THE CHALLENGES AND OPPORTUNITIES WE FACE.

Senator **Inouye**. General Woerner, thank you very much. I would like to repeat what you have just told the subcommittee because some of us were not here.

The General's command covers a land area larger than NATO.

General **Woerner**. Yes, sir; 22 percent of the land mass assigned to a regional command is in Latin America.

Senator **Inouye**. His budget is less than 1 percent of the DOD budget. Personnel is less than 1 percent of the DOD personnel, military and nonmilitary, and from the standpoint of security assistance, less than 3 percent.

General **Woerner**. Correct, sir.

Senator **Inouye**. If we determine the concern and importance of various areas and we determine that by column inches in the New York Times and the Washington Post, I think one must say that NATO is No. 1, the Middle East is No. 2, and you are No. 3. I think it is about time we begin to focus in on the importance of your command, the importance of your 16 liaison offices, and do something about this.

SECURITY ASSISTANCE

Well, for one thing, I would like to know what sort of input you are called upon to make in these great decisions that concern your area? For example, when it comes to security assistance, the State

Department has just as much say, if not much more, than the Defense Department. What role do you play?

General **Woerner**. Senator, I make recommendations. I receive the collective inputs of the nations for which I overwatch, and then apply to those a regional perspective and prioritization and then submit that to the JCS. In fact, however, the security assistance program is a State Department program to which the Department of Defense, through its Office of International Security Affairs, provides its counsel.

Frankly, in this dimension of security assistance, I have very little influence other than making an initial submission but then I am not an active player in the adjudication of those funds and how they are divided out. I do not get into that. The next time I enter is usually to make recommendations on fallout funds or reprogramming actions. I can express an interest in where I think those residual funds should go, but again it is limited to a submission and not a participation, where I think I should be in the deliberations.

Senator **Inouye**. In your presentation this morning you mentioned three countries—Nicaragua, Honduras, El Salvador, and Panama; I am sorry, four. We have General Noriega in Panama. I do not think you will have to convince any one of us as to the importance of the canal not only from the strategic standpoint but from our economy.

Now recently our FBI Director said that the drug-related indictments in Miami of Manuel Antonio Noriega "stands as a symbol of our opposition to state-sponsored drug trafficking." At the same time, the directors of our Drug Enforcement Agency wrote letters to Noriega praising him for his support of U.S. narcotics control efforts. Recently the arrest in Panama of five persons accused of involvement in major international drug money laundering was lauded as an example of continuing cooperation between U.S. drug enforcement officers and the government of Noriega.

I suppose it puts you in a hell of a position. What is our thrust? Are we for him or against him? I do not want to put you on the spot. You are not the man who makes the decision, but from your standpoint as chief military officer what do these statements mean to you?

NORIEGA

General **Woerner**. Unequivocally the Government's position is against Noriega, and that has been stated by the previous administration and the current administration, in spite of the Drug Enforcement Agency's laudatory letters. And I, of course, am committed to upholding and supporting the Presidential policy against Noriega.

[Deleted.] Our military policemen occupy the same guardposts at the entrance of bases and we have two standing bodies—a combined board, joint committee—that address problems. That is prescribed in the treaty and that has become two organs of confrontation, not of collaboration or cooperation, but of confrontation.

[Deleted.]

Senator **Inouye**. I have many other questions, but we have many Senators here.

One final question before I come back on my round. Is there any truth to the reports we are receiving that our men are being assaulted, injured?

HARASSMENT

General **Woerner**. Yes, air. There is a litany of harassments that run the gamut from what I would call bureaucratic nuisance level, where the vast majority of them reside, to life-threatening situations. I keep very accurate record on these and categorize them.

Of the total experience of harassments about 42 have been what I considered physically or mentally aggravated. I would say, for an example, the most recent case—three cases, just to give you an example of what the nature of that is since January—would be the school bus incident where because we had in their definition illegally registered the school buses, they detained them.

The children were not in danger, but it was certainly a trauma for the parents involved, without a doubt.

Senator **Inouye**. They were held hostage?

General **Woerner**. No, sir. The buses were stopped by police and prevented from moving the children to school. We went with other legally registered vehicles and the children got off the buses into our vehicles and we took them to school. Our sensing of the children—well, you could imagine the children thought it was kind of an adventure, but the parents were definitely concerned, and legitimately so.

Another incident—a family member, a young woman, was stopped by uniformed people presumed to be Panamanian police, and fondled.

Senator **Inouye**. Fondled?

General **Woerner**. Yes. Frequently in these situations there are other elements of the story that do not come out, and there are in this case. It happened to be in a very bad section of the town, 2 in the morning, and she was dressed in a way that would suggest that she was there for certain purposes. It does not justify the action, but it does put it within a different context than someone being taken out of a church.

And then the other one, to give an example, was an officer who was, in fact, bird-watching, but was arrested and handled a bit roughly, but on standards normal to Latin American police activities, as a spy. The fact that he had binoculars, a notebook, pencils, marked map, and was right outside one of their very sensitive military bases also helps put that one in context.

And so it goes. From Noriega's perspective, sir, the preferred method of harassment—and harassment is a Panamanian reaction to U.S. policy—is to work within a threshold to which we prefer not to react because of the cost involved. And so overwhelmingly the harassments are executed within a quasi-legal context of law enforcement activities.

And we, if we react and were placed before an impartial jury, would be seen most probably as being in the wrong. He is very clever in the activities in terms of the harassments. Contrary to popular reporting, there is not fear, much less terror, within the

American community. There is frustration and concern from the harassment. You go downtown, and people go down routinely, but they do wonder, well, am I going to get stopped arbitrarily, solicited for a bribe, and if I do not pay the bribe have my license taken away from me.

It is this type of concern, one that they should not be subjected to, but they are. But it does not reach the level of terror, because were that the case they would be leaving. We have programs for their voluntary departure without prejudice and they are not executing that. Quite to the contrary the waiting list is up for people trying to come to Panama.

Senator INOUYE. Thank you.

Senator Stevens?

Senator STEVENS. General, you have got 10,000 people down there in uniform, I understand, plus or minus, and then you have their dependents; is that right?

General WOERNER. That is correct.

THREAT

Senator STEVENS. What is the threat you have got them there for?

General WOERNER. Sir, my primary purpose is to address U.S. military interests throughout the entire region, Central and South America.

PANAMA

Senator STEVENS. But why in Panama? Did you make that decision as to where to deploy your forces?

General WOERNER. No, sir. We have been in Panama since 1903 and have built an extensive infrastructure that makes it a very convenient place geographically.

Senator STEVENS. You are soon going to have a Guantanamo Bay there, are you not?

General WOERNER. No, sir. There are people that talk in terms of moving toward a Guantanamo existence, but because of the new treaty, the Carter-Torrijos Treaty of 1977, that is impossible, sir. Where before we had the Canal Zone, oceans on both ends, with our bases protecting the canal, mainly on the extremities—I now have about 15 bases within the old zone, which was 10 miles wide, 50 miles long, and within which the United States by the 1903 Treaty acted as if sovereign forever.

Senator STEVENS. I understand that; yes.

General WOERNER. Now with that new treaty there is no zone, so this is all Panamanian exclusive jurisdiction. So what I have now, in effect, are enclaves within Panamanian jurisdiction.

Now if people living on any base want to go to the hospital or to the commissary or even to work, since they live on one base but probably work on another, they must go through exclusively Panamanian jurisdiction. And, in fact, there are some bases that have already reverted to Panama, so my people living on those bases are in U.S. houses but living on Panamanian military bases.

At my headquarters, Panamanian soldiers are jointly responsible for my security. So what I am saying, sir, we have a totally integrated existence. [Deleted.]

If I put armed soldiers in here, even unarmed soldiers in uniform, I am in violation of our treaty. I cannot go downtown in uniform, for example.

Senator STEVENS. Again, as the responsible commanding officer there, you must be giving advice. Is it your advice we should keep up this intolerable condition?

General WOERNER. No, sir. I believe we are—first of all, let me say we are doing things within U.S. law and Panamanian law and international law and the treaty to provide for the security of our people.

Senator STEVENS. How many Panamanian nationals do you employ now?

General WOERNER. I employ approximately 5,500, sir.

Senator STEVENS. Why?

General WOERNER. Because I need to. I am running all these bases and all these industrial operations and the canal employees is about another 7,500.

Senator STEVENS. What industrial operations?

General WOERNER. Your maintenance, all your maintenance facilities. Your military force is basically your combat force, and defensewide we have gone to civilian contracting to run our bases. All my engineers are Panamanians.

Senator STEVENS. I have got to tell you I voted against that treaty, but I think you are down there under siege and I do not know why you have dependents there in the first place and why you are hiring in-country nationals and why you have people there that really have an assigned duty to protect Honduras or other areas of interest to the United States in Central America.

It seems to me somebody ought to review this plan. We are on the edge of an explosion with this idiot dictator there and it seems to me we are just provoking him. I am not usually one that is a timid soul, but it does not seem to me that we ought to have dependents down there. Why should children be down there that have to go through territory controlled by him every day to go to school?

General WOERNER. Sir, when we signed the treaty we signed a treaty with a friendly nation and the whole treaty is designed on the basis of cooperation between two friendly nations.

Senator STEVENS. Well, I see every reason to keep our troops there because I do not think we should retreat, but I do not see any reason to subject our dependents to harassment, our women troops to harassment, our women dependents to harassment because ultimately—you remember Eisenhower said, "If we put a platoon of WAC's on the border of Germany and if anyone touched a hair on their head, we would be at war."

We will be at war one of these days over these dependents and I do not see any reason for it.

General WOERNER. Sir, as I watch the harassments, address them, and fulfill my responsibilities for the entire community—incidentally, it is not only the 10,000 military but 10,000 family members, and it is the Panama Canal community and it is the private sector. We are talking about 30,000 to 40,000 Americans.

Senator **Stevens**. But you are not there as a policeman. We do not station troops to protect civilian operations. We may go in to rescue them, but we do not have troops stationed everywhere we have a civilian community of Americans working.

General **Woerner**. That is true, sir.

UNACCOMPANIED TOURS

Senator **Stevens**. You have got the power, it seems to me, as commander of CINCSOUTH to have unaccompanied tours. You have got the power to use a lot more civilians, U.S. nationals, as opposed to using their nationals.

General **Woerner**. No, I do not, sir. First of all, on the civilians, the civilian members of the community are not the ones being harassed. The harassments are deliberately targeted against the uniformed military personnel.

Senator **Stevens**. Why would they harass the people that are earning money off Uncle Sam? I am talking about why do you hire in-country nationals. Why don't we have U.S. civilians down there doing the jobs that are essential within the confines of the bases you must operate?

General **Woerner**. I hire Panamanians, sir, because I am required by the treaty that we have signed to give preferential hiring to Panamanian nationals over Americans. I would much prefer to hire our own family members. In fact, it is one of my morale problems. As dependents come from other overseas areas or from the United States they cannot continue to supplement family incomes and they see locals hired.

I am required to do that by the treaty we have signed, sir.

Senator **Stevens**. Well, I have supported accompanied tours, but I do not see any reason to support them there. It is just a few years ago that we did not have accompanied tours there.

General **Woerner**. No, sir; there have always been accompanied tours.

Senator **Stevens**. In Panama?

General **Woerner**. Yes, sir.

Senator **Stevens**. My memory was that when I went down there one of the gripes we had was the families were not there. Why was that?

General **Woerner**. To my knowledge of the history all the way back——

Senator **Stevens**. There was a grade level that people could not have their families there at the time, and I cannot remember what it was, but there was a substantial number of GI's that did not have their families there.

General **Woerner**. Sir, prior to the advent of the all-volunteer force we had an unmarried military. Now over half our military is married, and entitled to it, and so that may have been the transition you recall, sir.

Senator **Stevens**. I distinctly remember we ran into it over in NATO at the same time, and now those same people have accompanied tours.

Let me shift gears. I do not want to take too much time, Mr. Chairman, but I will just ask you one more question.

WAR ON DRUGS

Who do you feel in the Department of Defense should have the lead role in the war on drugs in your area?

General **Woerner**. I do not know, sir. I have not given any thought on where the focal point should be. If we would increase our role it would be an operational role——

Senator **Stevens**. Currently you have very little role in this whole question of drugs transiting through your area to the United States; is that right?

General **Woerner**. It is at the moment limited, but we are doing a great deal of study as a result of the omnibus drug bill, sir, analyzing what we should be doing and what we can be doing within the resource base. It is under very serious study now.

Senator **Stevens**. Well, if you have got that many people down there and their job is to carry out U.S. policy in the whole area, it would seem you ought to be given an increased role in drug interdiction. I do not know myself. I am not qualified to say what that should be, but it does seem with that many people there you should have an increased role.

But I also do not think dependents should be there, and I hate to make predictions, but I will be glad to predict that with the continuing deteriorating relationships down there [deleted] that is going to blow up.

I would not want my family down there at this time, and I think you ought to give serious thought to getting them the hell out of there soon. You know what I am talking about. That is just my feeling.

Thank you, Mr. Chairman.

Senator **Inouye**. Thank you.

Senator Garn?

Senator **Garn**. Thank you, Mr. Chairman.

First of all, I am just grateful to have an S&L package completed. This is the first day in more than 2 months we have not held a Banking Committee meeting. We had a markup until 8:30 last night.

Senator **Inouye**. What is the price tag?

Senator **Garn**. We did finish at $100 billion, give or take a few billion.

Before you leave, Senator Stevens, I am going to disagree with you.

Senator **Stevens**. I am not going to leave, not yet.

Senator **Garn**. I did not have any questions, other than to say I was relieved to get away from Banking, but Senator Stevens did prompt me to make a comment.

I used to fly a lot of missions into Howard Air Force Base hauling cargo and passengers down there, so I have spent a lot of time in Panama over the years, and I know of no time that I was ever there that there were not dependents; at least some dependents were always there at the time I was there. Of course a lot of that was back when Torrijos was heading the government, and I specifically remember meeting with Torrijos once and his wife told my wife, looking over at Lieutenant Colonel Noriega, that he was the guy to watch out for. This was 13 or 14 years ago—watch out for that pock-marked little lieutenant colonel over there.

But, General, I think as we look at this overall dependent situation, first of all, it is a different military as a result of the all—volunteer force than the one I served in on active duty, much, much difference, and that shift has changed. It has been my personal experience that if you remove dependents you cause more incidents, quite contrary to Senator Stevens' feeling, with all due respect.

If you remove dependents, I would think you would create a more unstable situation. You would have more harassment of the military troops. Normally dependents are a leveling influence, even in the situation with Noriega and the difficulties of the Panama Canal Treaty, which I also voted against. So I think you would have more incidents and more harassment in that way than with wives and children there.

Plus it is not only an all-voluntary military, the dependents are there voluntarily as well, and I think most of them are aware of what the situation is and if they feel it is too dangerous they can leave. If you get an outbreak of war, that is a different story. Then you have got evacuation and all of that, but in normal operation I think having dependents is better.

One of the reasons you will have more incidents is because you will have more problems with your own troops. You will have more drunkenness, you will have more fiddling around in Panama City, and all of the things that go with men who are separated from their families.

So now you have two opinions, one who says take them out and one who says leave them there. But I very strongly believe that from my own experience. As I said with Senator Inouye and Mr. Collins, over in Germany, we would not be able to maintain an all-voluntary military force without families.

I was U.S. Navy. I was USN, regular commission. And when I was interviewed as to why I was getting out of the service they asked if it was money, I did not like the duty and all of that. It had nothing to do with that. I got tired of being separated from my family. The Navy has never learned that lesson yet. They have tried. I realize they have a different situation, with ships and all of that. That was the primary reason I got out.

I did not get married to be separated in peacetime from my family for months and months at a time. So if we are going to maintain an all-voluntary military force the price for maintaining that and attracting people is having accompanied tours wherever and whenever possible.

It is a difficult situation in Panama, and I think the ultimate solution is some way to get rid of Noriega. I do no know how to do that.

Senator INOUYE. Send the other general in.

Senator GARN. Well, I have always thought we could send Senator Symms in. One good ex-Marine might be able to take care of General Noriega.

I have no questions. I just wanted to make those comments, Mr. Chairman. Thank you.

Senator **Inouye**. If I may just interject at this point, I think there was a time—I cannot think of exactly when—you could bring dependents if you were E-4 or above. So maybe that is when Senator Stevens met with some of the men.

Senator D'Amato?

Senator **D'Amato**. Thank you, Mr. Chairman. I have an opening statement that I would like to put in the record.

Senator **Inouye**. Without objection.

[The statement follows:]

STATEMENT OF SENATOR D'AMATO

Mr. Chairman, I'd like to add my welcome to General Woerner and General Lindsay and thank them for being with us today. I personally feel that the areas of responsibility of these two commands will be of primary importance to the continued security of the United States in the foreseeable future.

Soviet interference in Pan-American affairs continues on our very doorstep to the south. President Gorbachev's visit last week to Cuba demonstrated, once again, the cooperation and common interests enjoyed by the ruling parties of Cuba and the Soviet Union. "Gorba-phoria" should not lull us into forgetting that the long-range Soviet goal of world dominance has not changed at all.

The increased capability of the Soviets in force projection will be felt by the nations of Latin America first. To counter this, the United States must be ready to support and encourage democratic governments and oppose totalitarian regimes which are favorite playgrounds for Soviet adventurism. The forces of the Southern Command and the Special Operations Command will be key in maintaining this readiness and strength.

I am greatly disturbed at the attempt by the administration to go on with business-as-usual in Panama in the face of increasingly frequent and more violent harassment of our troops, their dependents, and American civilians working in the Canal Zone. It is time for action against the bullying of General Noriega when a Navy petty officer is detained by Panamanian police, beaten, and forced to beg for his life with a gun put to his head; all for parking in the wrong spot at the airport. Perhaps even worse was the detainment of nine busloads of U.S. military dependent school children on the pretense that the buses had improper license plates.

There are 40,000 Americans working in Panama who are available for General Noriega to use to get back at the United States for backing efforts to remove him from power. We need to protect these citizens. We need to decide if we are going to continue to be pushed around by a known drug criminal who stole the country from its people. In a few weeks, an election will be held in Panama which we can either sit back and watch Noriega orchestrate, or we can apply as much pressure as possible to keep the elections fair for all.

Along with security matters, another subject affects all of the people of North and South America. It is the scourge of drugs. The network of growers, processors, traffickers, and dealers represents a cancer which is invading every organ of our collective society. We have to move quickly to stop the spread of this disease. We must remove it like a surgeon removes a malignant growth with a scapel. And, it is the U.S. military which must be used as the cutting edge in this operation of global scale. I will be interested in finding out from our witnesses today what is being done in the area of drug traffic interdiction and what additional resources are needed to expand the effort.

Thank you, Mr. Chairman.

MIGUEL NIEVES

Senator **D'Amato**. General, I am only going to relate to one incident which I thought was probably one of the most egregious, and that was as it related to Petty Officer Nieves, and that is the case where they took a pistol and put it to his head and had him beg for his life. That was quite vividly told. I know you must have read this March 20 "Terror in Panama" article where he goes into rather descriptive language as to what they made him do, begging for his life. And yet it has been reported that it took 30 days for a simple letter of protest to go to the Panamanians.

Now if that is correct, General, I have to suggest that that is not acceptable. You are not or were not—I do not mean to personalize this, but it is under your command. We are not letting Noriega and company know that we are not going to take this nonsense.

Now you might say to me, well, Senator, what do you want me to do. I will tell you. If you do not start taking out those dependents, if you allow that situation where they can stop buses and harass them, then we have got a catch-22 because when we ask you to do something and we ask you why you are not doing something, you say well, I have got 10,000 dependents there or 20,000 dependents down there, or 30,000, and they are subjected to this stuff and they have to travel to get food at the commissary and they can stop the buses and they are exposed.

Well, if on the one hand we are saying no, do not draw down, that this has been a standard kind of policy, when we have begun to say we are not going to take your nonsense, and on the other hand when it comes to somebody whose life is threatened take 30 days to tell them and send a simple letter, why was it 30 days?

General WOERNER. In putting these grevious incidents into a broader context I, unfortunately, sound at times as an apologist for Noriega, and if there is one thing I hate being cast as, it is that.

Nevertheless, let me again try to put the Miguel Nieves case in context. That is one story reported. We put him on a polygraph three times, and he busted the damn machine, the needle whacked the others on the lying side so hard. We do not know what really happened because we have four stories—the first which was reported in the Army Times and then the three polygraph stories.

Each time he would change his story. Finally what he did admit to, and it seemed to come out as the truth, was that he had parked illegally at the international airport, had been told to move his vehicle, had refused to do so on the basis that Panamanians hate Puerto Ricans, and, therefore, he was not going to obey any order from a Panamanian.

And, in fact, when one approached him, according to one of his later versions, he reached through the window and punched out the Panamanian cop as the first act.

So what I am saying, sir, is I do not know what happened as the truth. As to a 30-day delay in a letter of transmittal I do not know if that is true reporting or not. I do not know what the time was between the incident and a letter.

As we learned of his custody, we were down there seeking his release, which we did achieve, thus guaranteeing his rights under the treaty. The date of the letter I cannot comment on.

Senator D'AMATO. So what you are saying is that the incident that is reported may have been colored tremendously as a result of a confrontation that he may have had with police where he did not come into this with clean hands?

General WOERNER. Right, sir.

Senator D'AMATO. OK. That is very reasonable and that certainly makes me feel a lot better, not on the general harassment pattern, but that particular case as reported.

General **Woerner**. Incidentally, sir, we reported it that way the first time, and that is the genesis of that reporting. However, each time we asked him a question we were getting a different answer, so we put him on a polygraph, as I said, three different times, and he busted it all three times.

That does not mean that there are not incidents of harassment. There are. I have been in Panama 6 of the last 7 years. If I isolate the violent harassments from the many, many more what I would call bureaucratic harassments they are, I would say, up slightly from the time when we had good relations with Panama, but not way out of proportion.

What is really significant is the systematic bureaucratic harassments, in fact trying to pressure us to change our policy. That is what it is all about.

Senator **Garn**. I would feel safer in Panama than in some parts of Washington, DC, by a very large margin as far as personal violent harassment.

I did not want to use New York as an example.

Senator **D'Amato**. Thank you, Mr. Chairman. I have no more questions.

Senator **Inouye**. Senator Cochran.

Senator **Cochran**. Mr. Chairman, thank you.

General, I notice that we are training more and more National Guard personnel in the theater and we are also seeing recommendations that we rely more and more on National Guard and Reserve forces to accomplish the mission of the military. I wonder to what extent you are planning or experiencing greater reliance on National Guard and Reserve forces to accomplish your specific missions in the area.

DRUG INTERDICTION

There is talk about involving the Guard more in drug interdiction efforts and surveillance and that kind of thing.

General **Woerner**. Sir, my mission performance would be grievously impacted absent the National Guard and the Reserve. For example, my entire air component is National Guard/Reserve, except the people that are there permanently. But the airplanes and the airplane flyers, it is all National Guard and Reserve, Air Reserve.

The majority of my engineering exercises throughout Central and South America are National Guard. Overwhelmingly my medical programs in support of indigenous populations are again from the Reserve component.

As I have less and less, ever-decreasing utility out of the security assistance program, correspondingly I depend increasingly on the Reserve components for their presence in theater. And it is one of those rare opportunities where we get double for our money because I get the strategic benefits in terms of improvement of host country and our Reserve components gain the benefit of the training and experience, the deployments, redeployments, knowledge of the area, and things like that. It is one of those rare opportunities of no tradeoff. It is a win on both sides.

Senator **Cochran**. In terms of your ability to do your job, are you saying to us that the benefits outweigh the drawbacks?

General **Woerner**. I see no drawbacks; I see it all on the plus. Yes, slightly higher cost. For example, right now in northern Honduras I have North Dakota engineers building a road. Now it does cost something more to take them to Honduras to practice their skills during their summer encampment, but that may be a part wash because where they would have to pay for their fuels, lubricants, construction materials were they in Bismark; host country is providing those.

It does not pay for the transportation, but it does wash part of it. But you can imagine the difference in training experience to have to deploy, set up a bare base, sustain themselves with long communication lines, and do something real. Because, you see, in North Dakota they cannot build a road. They would be in competition with the civilian sector. In my area of responsibility, they do exactly what they enlisted to do. They build roads and bridges and air fields and they leave them there.

It is not moving a pile of dirt from one side of the parking lot to another side and then back the next year. They build a road and they see the people come out using those roads. They go back the next year and see houses on that road, and thus it goes. Everybody benefits from the Reserve components operations in my theater.

Senator **Cochran**. We are in the process of debating here in the Senate the implementation of the agreement that the administration has made with the Nicaraguan Resistance Assistance Program. What is your evaluation of our situation vis-a-vis that agreement and humanitarian assistance that will be made available under that agreement?

NICARAGUA

Where does that leave us in terms of long-range expectations for democratization in Nicaragua? How do you evaluate that from a military standpoint right now?

General **Woerner**. As a very significant, positive step in a policy arena that was, frankly, stymied, regardless of whether you were for or against the Contras. It was not working.

I look to the accord between the administration and the Congress as a very significant step that moves us from outside the Esquipulas-Arias peace plan circle to inside it, and using it as the central vehicle of our own policy and our own interest.

The provisions are there, are built in. What it demands on our part now is diligence and consistency in ensuring that. What I am saying specifically is as we work with Nicaragua and the democracies in the democratization of Nicaragua that we not permit that to get out of synchronization with security, our own national security interest and the peace of the region. In other words, we should not permit ourselves to be played the fool by the Sandinistas in making promises toward peace in exchange for some future commitment toward democratization.

That will require very skillful diplomacy, but it is doable. I am very much encouraged by that. I would hope also for one other dimension, and that is provided within the accord. But I would hope for an operationalization, and that is the linkage of our Central American interests with our East-West dialog with the Soviet

Union. If the Soviet Union will terminate its support to Nicaragua, Nicaragua will be prostrate. It is a basket case being sustained by the Soviet Union.

So that linkage is crucial. With that linkage removed, Nicaragua will be insignificant. The democracies will flourish—perhaps I am being a little exuberant here—and will continue to grow in Guatemala, Salvador, Honduras, as well as be sustained in Costa Rica. The reason being is that they will be liberated from the Sandinista threat, which is underpinned by the Soviet Union through Cuba.

Senator **Cochran**. Thank you, Mr. Chairman.

Senator **Inouye**. Senator Specter?

Senator **Specter**. Thank you, Mr. Chairman.

MATTA

General, I would be interested in a response to a brief inquiry on a somewhat collateral issue. You have been in the region for a long time. There was a very serious incident in Honduras when Honduran authorities turned over Matta, the promiment drug dealer and there was a storming of the U.S. embassy. And that, among other items, has prompted some of us to press the idea of an international court to try drug dealers, trying to move beyond the problems on extradition which we have with Colombia, where we do not have an extradition treaty and the problems which we had with Honduras when there was, in a nationalistic sense, a strong objection to the tactics used.

We did not go through formal extradition there. I would be interested to have your thinking, although I know you have not prepared for this question specifically, about the nature of the problem with the Hondurans on their reaction to the action taken as to Matta and what you think about trying to do some international focus, an international court or international extradition, so individuals like Matta are not turned over to the United States but to some international body.

General **Woerner**. Sir, I do not pretend any knowledge in the judicial processes or considerations, but responding more to the philosophy of your question I believe it absolutely indispensible that we internationalize the drug problem if we have any hopes of reducing it to tolerable proportions. We must internationalize the problem.

Now what internationalization on the legal side would help us do is address the most fundamental concern of not only Honduras but also all of the Latin American nations. It is a concern that dominates its relationship with anyone else but fundamentally with the United States. It is that of nonintervention.

In the Matta case we think when we hear the term intervention and we are talking Latin America, we go back 50 years, we think in terms of the Marines landing in Nicaragua and those kinds of things. But to the Latin, intervention can be political, economic. It can be even social, like dominance of U.S. music or clothing styles or hair styles or anything else.

It is a phenomenon that dominates their consideration of any issue, the issue of nonintervention.

INTERNATIONAL POLICE FORCE

Senator **Specter**. Moving from judicial to something even closer to you, when Attorney General Meese traveled in South America about a year ago at this time he was proposing an international police force, which got mixed reviews. What would your thought be as to that?

General **Woerner**. I would not think it possible, sir, because it would represent to the Latin American nations—although Michael Manley just solicited the same thing at the Carter Center 2 weeks ago—but I would think in general, particularly to the Central and South American countries, it would be seen as an unacceptable surrender of sovereign rights.

Senator **Specter**. Even if they had the principal forces in the field?

General **Woerner**. Manpower is not the Latin American problem. They do not need that type of help. What they do need are resources to train and equip the manpower that they have.

BOLIVIA

Senator **Specter**. One final question even closer to your field. In Bolivia, where we had an opportunity to visit last September and went to Chimore, the outpost which DEA has there—and I believe there were Special Forces of the Army there——

General **Woerner**. Special Forces; yes.

Senator **Specter**. We saw an anomalous situation that DEA agents were permitted to go into the field with Bolivian military to destroy chemical factories and the DEA agents were older and heavier and less conditioned.

The Special Forces personnel were not permitted to travel, but I was enormously impressed with the competence of the Special Forces personnel, and especially one staff sergeant who looked like he could be in Rocky V fighting the Soviets—6'3" and 215 and not an ounce of fat. And there he was, precluded by our rules from going in and helping on the military action, military police action. And the DEA agent, in his mid-40's, not in that kind of condition.

This issue was raised in the drug bill in October. We talked about it at conference and I am hopeful the Armed Services Committee will have some hearings on the subject because there are some legal impediments to the Special Forces doing this. But it just seemed to me it was more than anomalous. It was just contrary to logic not to have this well-equipped unit doing police work.

It is not military work per se, and having DEA there with the agreement of the Bolivian Government. I would be interested in your opinion as to whether there might be some way we could structure it, considering what you have already said about the concerns about the U.S. military, and try to use those military personnel in a more effective way.

General **Woerner**. The Special Forces in Bolivia are doing a marvelous job, and if Ambassador Gelbart were sitting here he would be beating on me or you to send him more. He recognizes the tremendous job they are doing.

Senator **Specter**. I will back that.

General **Woerner**. But we are operating within the law, obviously.

Senator **Specter**. I will back that, too.

General **Woerner**. I am not saying that there is no option for further action within the current law, but our interpretation of the law is the basis of our rules.

Senator **Specter**. Suppose we were to change that? Congress has to make modification there. But my question to you is, as a matter of policy would you support it if we decided that it made more sense to do that?

General **Woerner**. A trainer who is permitted to go the full measure with the units with whom he is working can be considerably, and will be considerably, more effective and certainly more relevant to the unit with whom he is associated. If we were to take that step, however, as a people, as a nation, we must be prepared to accept casualties because there will be casualties involved in that operation.

In my opinion, the reason there are not an abundance of casualties, if any casualties, right now is because we are not substantively threatening the narco-traffickers, but when we do, because our expanded activities cause them heartburn, then they will react proportionately and there will be increased risk to our operations.

Senator **Specter**. Well, General, I think that is true.

This is my final question, Mr. Chairman. I do not want to go on too long here.

NARCOTICS TRAFFIC

That narcotics traffic is a great threat to the United States, greater perhaps than any military threat we face imminently. We do not want to see casualties if that can be possibly avoided. I would think there would be greater likelihood of casualties among DEA because they are not as well trained to handle the problems, and I would like to see us give serious consideration to using military special forces.

I realize the subtleties of the problems which are involved in using the military in that kind of a context, and I do not want to see the casualties. At least for myself, I would like to see us move in that direction.

General **Woerner**. There is a role for us in training without any doubt, as we are doing that, and that should be exponentially expanded. Where, however, we can make our greatest contribution militarily against the international drug threat is through our technology and our resourcing, the building of intelligence nets, the targeting of critical nodes in the drug trade.

The actions that you saw played a role in that, but going out and destroying coca fields or maceration pits or small laboratories, absent a much greater effort, is almost futile.

Senator **Specter**. Thank you very much, General.

Thank you, Mr. Chairman.

Senator **Inouye**. Thank you.

General Woerner, I have many, many questions I would like to submit to you for your careful concern and response, questions, for example, on the report, the Woerner Report, of many years ago. I want to know whether your recommendations have been followed and, if not, why not.

[The information follows:]

El Salvador

It is true that I was involved in an assessment of the ESAF in 1981-82. My findings and recommendations were written up in a draft report, but that in itself was never an official document. Many of these items that were contained in this draft report were, however, formalized in a set joint ES/US documents which focused on ESAF requirements in the areas of force structure training, tactics and logistical support. By and large, all major recommendations were acted on favorably and implemented. Throughout the process, we have had the full support of all USG agencies and the Congress in implementing the recommendations. Over time, the nature of the guerrillas' capability has shifted and as the ESAF developed its capabilities, the requirements have changed and new force structure, tactics and training requirements for the ESAF have been added and/or modified as necessary.

Senator **Inouye**. Second, I would like to have your views on the impact of Gorbachev's visit to Cuba a few days ago and whether his statement had any effect upon the people that you deal with.

[The information follows:]

Cuba/U.S.S.R.

The Latin military leaders with whom I deal have not been reassured by the public statements made by President Gorbachev during his visit to Cuba. They see the continued existence of a Cuban conventional military machine which has the capability to threaten large portions of Latin America. When they look at Cuba, these military leaders see a picture of a country that has consistently—and by a wide margin—outspent every other country in the hemisphere on a basis of military expenditures per capita, percentage of GDP, percent of budget devoted to military purposes, or almost any other standard.

In Latin America, it is public knowledge that without Soviet infusions the Cubans could never maintain this military capability and keep their ailing economy afloat. Latin leaders do not miss the fact that only within the last 5 to 7 years have Cuban military expenditures been rivaled at all and that has been by Sandinista Nicaragua—also with massive Soviet support.

In addition, Latin leaders see the Cuban conventional force backed by a well-equipped, Cuban-based, air-and-sea deployable Soviet main force of some 8,000 military and more than 7,000 civilian advisors. People with whom I deal all note that there was precious little in President Gorbachev's speech that pointed either toward a diminution of this Soviet presence or of a reduction in Soviet material military assistance to Cuba.

With regard to the insurgent threat, Castro's reluctance to modify his notion of "proletarian internationalism"—the doctrine under which he justifies his support of insurgencies—is well known in Latin America. President Gorbachev's remarks also failed to convince in this regard.

Overall, the concerns raised by these two dimensions of the Cuban threat—namely, the conventional and the insurgent threat—are most acute in the countries closest to Cuba geographically, but democratic leaders throughout the region are sensitive to the problem.

Senator **Inouye**. Third, I would like to get your views in greater depth on the ARENA victory and what it means to us.

[The information follows:]

El Salvador

The electoral victory of Alfredo Cristiani will have a significant impact on the Salvadoran war-fighting effort and on United States-Salvadoran relations.

The most significant impact of the March election is that it signals a clear advance for the democratic process. El Salvador has now elected two presidents in the last 5 years. Both of these elections have been characterized as free and fair by international observers. Over 1 million Salvadorans participated in the electoral process despite exceptionally heavy efforts by the FMLN to disrupt the elections. A multiparty system has evolved and, for the first time in recent Salvadoran history, power will be transferred from one democratically elected government to another. All of these accomplishments are clear evidence of growth in the democratic process and the success of USG policies for El Salvador.

The ARENA victory will have a significant effect on the war-fighting effort in El Salvador. A new Minister of Defense will be named. I believe that the GOES will take positive steps to better coordinate civil-military action in the countryside. These steps will likely promote an even more energetic prosecution of the war.

Senator INOUYE. But I would like to ask one question at this time. As you know, we did away with any security assistance for Panama because of our problems and the justification for that security assistance was always defense of the canal. I would like to know if, with your troops there, their limited number, you are able to defend the canal if a move was made.

General WOERNER. Sir, with our plans and the force structure that we have, I am going to hedge a bit on this answer. We are capable of defending the canal against what I would call a conventional-type threat, a force moving against the canal. There are, however, as you can well imagine, an extraordinary range of options open to terrorist type attacks, which would be over before I would even know that an attack had taken place.

For example—we are in closed session——

Senator INOUYE. We are.

General WOERNER. [Deleted.]

Senator INOUYE. The other question that I will be submitting relates to Mexico. Most Members of Congress would just assume that Mexico is part of your command because it is part of Central America, Latin America. I would like to get your views as to whether it should be part of the Southern Command and, if so, how should it be done, or whether the present policy is the proper one.

General WOERNER. Every 2 years, sir, there is a review by the Department of Defense, JCS, of the Unified Command Plan that draws the boundaries. And at least in recent years with which I am familiar, and this year, Southern Command presented a case for incorporating Mexico within its theater of responsibility.

Senator INOUYE. If you could share those views with us, we would appreciate it.

General WOERNER. [Deleted.]

Senator INOUYE. Thank you. General Woerner, thank you very much, sir.

SPECIAL OPERATIONS FORCES

Our next subject is the U.S. Special Operations Forces, and at this time I would like to welcome the commander of the U.S. Special Operations Command, Gen. James J. Lindsay.

I gather this is your first appearance before the subcommittee.

Much of the defense budget, as we all know, is devoted to strategic and traditional conventional forces designed to deter a worldwide conflict. However, in recent years it has been smaller, localized issues, which have erupted and Special Operations Forces provide a valuable resource for countering such actions.

In this era of regional hostilities and low-intensity conflict, the small dedicated force which can be deployed quickly and quietly provides a unique and credible deterrent and warfighting capability. Much has been accomplished since 1980 to reinvigorate our special operations capability. Since 1981 nearly $12 billion have been invested for special operations forces. In many ways the Congress has taken the lead in requiring DOD to rebuild this important part of our military force, and we have directed the creation of an assistant Secretary for Special Operations and Low Intensity Conflict.

The Congress took the initiative to focus the Defense Department in defining its requirements for airlift and gunship assets, and Congress was instrumental in the creation of this command. For many years this committee has been a strong proponent of special operations. Last year, the committee led the effort to add $286 million to the buget to bolster the readiness and modernize the equipment of our forces.

The Committee funded increases in operations and maintenance, provided funds to replace old patrol boats, and upgrade the needed communications equipment, which always has a difficult time getting sufficient priority in defense budget submissions.

General, we have invited you here this morning so that we can better understand the state of our special operations forces and hear from you as to what you consider to be our priorities. It is a unit with much sex appeal and pizzazz, but I think your mission is much more than sex appeal and pizzazz and I would like to hear about it.

Senator STEVENS. Mr. Chairman, I have got to tell you that General Lindsay has visited our State and I spent a happy day with him, as a matter of fact.

Jim, I am sorry. I have got an appointment. We have got a little thing going on up our way and I have to keep up with it every morning. I would like to stay and be with you, but I have got to go downtown.

Senator INOUYE. He should send his forces to Alaska.

Senator STEVENS. I wish his forces had the capability to deal with crises because they would all be there. I do not have to visit them to know because I know Jim Lindsay, one hell of a guy.

Senator INOUYE. Shall we close the hearing, General, at this point? [Laughter.]

Senator STEVENS. In my opinion, you made a great sacrifice in taking over this command because I know that he could have gone on to other commands that have a lot more troops and a lot more visibility. I really congratulate you for taking that one. You took it right after you left our place up there. I want you to know that all of us who really believe in this command are delighted you made that decision.

I am going to have to leave in just a minute. I am going to listen to you.

Senator INOUYE. He is not this generous all the time, believe me.

Senator STEVENS. No, I am not.

Senator INOUYE. Senator Cochran, would you like to say anything?

Senator COCHRAN. I just regret, Mr. Chairman, that there are other things that are going to require my presence somewhere else, too, so I am going to have to leave and I regret I am not going to be able to hear all of the General's presentation. But I want you to know it is not because I do not think what you are doing is not important, and I will be anxious to review the matters that you discuss later on.

Thank you.

Senator STEVENS. Thank you for your support of the V-22. I can assure you we are going to keep that on schedule because we know what it means to you.

U.S. SPECIAL OPERATIONS COMMAND

STATEMENT OF GEN. JAMES J. LINDSAY, COMMANDER IN CHIEF, U.S. SPECIAL OPERATIONS COMMAND

Senator INOUYE. General, it is your show.

General LINDSAY. As you know, I have submitted a statement for the record and what I would like to do is briefly summarize it, if I could, and I will do it quickly, since these gentlemen are in a hurry.

The world is changing very rapidly and I do not have to tell this group that. But no matter how you look at glasnost, perestroika, and so forth, if you look at the north-south axis, we live in a world, as General Woerner just described it, you might describe as a very violent peace. Your special operating forces have great application and great flexibility in addressing the problems of the violent peace.

Our capabilities range from civic action, nation-builders, if you will, in our civil affairs, and psychological operations forces, to the other end of the spectrum where [deleted] and provide a surgical response to a variety of situations.

So within this command you have created, you have put together a force that, while it is small, about 35,000—20,000 Active component and 15,000 Reserve component—is a very capable and very flexible force.

I mentioned the wide range of options and all the things we do. In preparation for coming here to talk with you, I asked the staff to look at where we have had people deployed in the last 12 months, and we came out with 370 different teams in 43 different nations. Now I do that as a supporting CINC. Unlike General Woerner, who has a regional responsibility, I am a supporting CINC for the five regional CINC's and provide forces to complement or support their operations plans and their operations.

In order to ensure that I am in synch with them and that we are all working together and we are not duplicating functions, I have launched a project we call the Joint Mission Analysis in which we first look at the mission and then look at the threat, and then look at the people and the equipment that we need and the organizations in which we need to put them to accomplish that mission against the threat.

I started that process with General Woerner because I think the area where we have the most likely need for these forces right now is in Southern Command. We have spent the last 6 months working on this. He put together a team headed by a general and I put together a team, and we sat down and went through this analysis. We will finish it the first week in June.

I have worked with Admiral Hardisty in the Pacific and we are, right now, going through the same process in the Pacific. It will take us about 2 years to do that, but when we finish it will drive the program we build for the 1992-97 program. I will talk more about that in just a moment.

We have also focused on interoperability, and I am talking now not just about interoperability between the Green Berets and the SEALS, for example, but interoperability between our unconventional forces as well as the conventional forces. Looking at Grenada, there were some interoperability problems there that you are all aware of. These are the sorts of things I am focusing on. And we are making progress in that regard.

As far as the readiness of our force is concerned, we have talked about the money earlier, the money that was put into special operations since the early 1980's. And it is paying dividends. I did a one-time baseline study of the readiness of our Special Operations Forces so we can use it as a yardstick against which to measure future progress, and the results of that are contained in the paper that I handed in earlier.

I will talk a moment about the hardware that is in that book. But as far as overall readiness is concerned, it has improved across the board. In the Army, we still have a problem with language proficiency, and I think we are finally coming to grips with that. There is no simple solution to that. It is going to take time. We have not made as much progress as I would like to see or you would like to see, but if you want to go into details on that we certainly can.

[Deleted.] When we started this effort they had 27 platoons of SEALS; right now we have 41 platoons. We need 60 platoons of SEALS, and in our 1990-91 program we have the money to provide those platoons

In the Air Force the big issue, of course, is platforms to infiltrate and exfiltrate forces. Thanks again to the legislation you passed we are on our way toward fixing that. And we will do that over the next 3 to 4 years.

On resource management, as you know, one of the key provisions of the legislation was major force program 11, which said, in effect, give this unified command its own checkbook. As you know, there was great resistance to that in a number of circles, and finally on January 24 we got a letter signed by Will Taft, the Acting Secretary of Defense, that gave us our own program. What it said basically was start now to build the program for the DOD 1992-97 program. And we have launched on that effort at this point. Again, we can talk about that in more detail if you like.

Finally, we need to also develop an acquisition capability, not to duplicate what the services are already doing, but to focus on the things we need at the lower end of the conflict spectrum, and we have launched on that.

[The statement follows:]

STATEMENT OF GEN. JAMES J. LINDSAY

INTRODUCTION

IT IS A PLEASURE TO HAVE THE OPPORTUNITY TO APPEAR BEFORE YOU TO ADDRESS THE CURRENT ISSUES FACING SPECIAL OPERATIONS FORCES. IT IS MOST APPROPRIATE CONGRESS HAS TAKEN A STRONG POSITION TOWARD SPECIAL OPERATIONS. THE PURPOSE TODAY IS TO DESCRIBE FOR YOU THE ACCOMPLISHMENTS OF THE UNITED STATES SPECIAL OPERATIONS COMMAND AND SPECIAL OPERATIONS FORCES IN THE PAST YEAR, AND DISCUSS OUR MAJOR ISSUES AND CHALLENGES FOR THE NEAR FUTURE.

THE IMPORTANCE OF SOF

EVENTS OF THE PAST 12 MONTHS HAVE HAD A MAJOR IMPACT ON OUR NATION'S PERCEPTION OF THE THREAT. THE INTERMEDIATE NUCLEAR FORCES ACCORDS, THE CONSTRUCTIVE DIALOGUE SURROUNDING THE STRATEGIC ARMS REDUCTION TALKS, THE SOVIET WITHDRAWAL FROM AFGHANISTAN, PRESIDENT GORBACHEV'S UNITED NATIONS SPEECH ON 6 DECEMBER 1988, AND SOVIET DOMESTIC POLICY CHANGES ARTICULATED IN THE TERMS GLASNOST AND PERESTROIKA HAVE BEEN WIDELY PUBLICIZED IN THE MEDIA CAUSING THIS NATION TO REEVALUATE ITS DEFENSE PRIORITIES. HOWEVER, IF ONE REVIEWS THE WORLD SITUATION TODAY, PEACE HAS NOT BEEN DECLARED. ALTHOUGH SPECIAL OPERATIONS FORCES HAVE UNIQUE CAPABILITIES ACROSS THE SPECTRUM OF CONFLICT, OUR FORCES HAVE A SPECIAL UTILITY IN WHAT WE NOW TERM LOW INTENSITY CONFLICT BUT WHICH IS BETTER LABELLED AS "HIGH PROBABILITY" CONFLICT. THIS ARRAY OF EVENTS ALSO INCLUDES THE DRUG ISSUE. SPECIAL OPERATIONS FORCES HAVE THE CAPABILITY TO PLAY A MAJOR SUPPORTING ROLE IN ADDRESSING THESE MAJOR NATIONAL ISSUES. FINALLY, THE COST OF PROVIDING HIGHLY CAPABLE SPECIAL OPERATIONS FORCES COMES TO LESS THAN ONE PERCENT OF THE FY90-91 DEFENSE BUDGET: AN EXCELLENT INVESTMENT FOR THE KINDS OF CONFLICT OUR NATION WILL MOST LIKELY BE INVOLVED IN OVER THE NEXT DECADE.

STRATEGY

THE OVERARCHING OBJECTIVE OF USSOCOM IS TO TRAIN, ORGANIZE, AND EQUIP SPECIAL OPERATIONS, PSYCHOLOGICAL OPERATIONS, AND CIVIL AFFAIRS FORCES TO MELD THEIR CAPABILITIES WITH JOINT DOCTRINE TO SUPPORT, IN HARMONY, THE STATED STRATEGIES OF THE REGIONAL WARFIGHTING CINC'S. THUS, THE SPECIAL OPERATIONS COMMAND STRATEGY IS UNLIKE THAT OF THE REGIONAL CINC'S THAT USSOCOM SUPPORTS. THE COMMAND'S STRATEGY FOR SUPPORTING THE OTHER CINC'S CANNOT BE EXPRESSED IN TERMS OF "FLEXIBLE RESPONSE" OR FORWARD DEFENSE. IN OUR SUPPORTING ROLE, OUR MISSION IS BASICALLY ACCOMPLISHED WHEN USSOCOM PROVIDES THE REGIONAL CINC'S WITH THE PROPER NUMBERS AND MIX OF EQUIPMENT AND PROPERLY TRAINED PERSONNEL THAT ARE REQUIRED TO EXECUTE THE REGIONAL CINC'S MISSION. USSOCOM MUST, THEREFORE, BE AN INTEGRAL PART OF THE INDIVIDUAL REGIONAL CINC'S JOINT STRATEGIC PLANNING SYSTEM PROCESS AS IT APPLIES TO SPECIAL OPERATIONS REQUIREMENTS. ADDITIONALLY, USSOCOM MUST BE PREPARED TO PROVIDE RAPID RESPONSE, EITHER IN COMBINATION WITH REGIONAL FORCES, OR UNILATERALLY, IF DIRECTED BY THE NATIONAL COMMAND AUTHORITIES TO PREVENT, DETER, AND RESPOND TO ANY SITUATION IN SUPPORT OF U.S. NATIONAL STRATEGY OR OBLIGATIONS.

REGIONAL FOCUS ON SOF

DURING THE PAST YEAR, REGIONAL CINC EXERCISE PROGRAMS AND THE RECENTLY INSTITUTED USSOCOM EXERCISE PROGRAM HAVE STRENGTHENED THE REGIONAL FOCUS OF SOF. EXERCISE JAGUAR BITE WAS REPRESENTATIVE NOT ONLY OF OUR INTENT TO SHARPEN THIS REGIONAL FOCUS BUT TO MAKE SOF TRAINING MORE EFFICIENT AND EFFECTIVE. IN ITS JOINT CONFIGURATION, THE EXERCISE ACCOMMODATED RECURRING ARMY SOF EXERCISE REQUIREMENTS AND ALSO FOCUSED ON THE REGIONS APPROPRIATE TO THE UNITS BEING EVALUATED. IT ALSO SERVED AS AN OPERATIONAL READINESS INSPECTION FOR USAF SOF. SUBSEQUENT FUTURE ITERATIONS OF THIS EXERCISE WILL INCLUDE NAVY SOF AND PROVIDE RECURRING OPPORTUNITIES TO IDENTIFY SHORTFALLS AND ENHANCE CAPABILITIES OF

BOTH CONUS AND THEATER-BASED SOF AT BOTH SERVICE AND JOINT LEVELS.

ANOTHER USSOCOM INITIATIVE WAS TO CONDUCT THE FIRST WORLDWIDE JOINT SOF EXERCISE CONFERENCE LAST FALL. THE PURPOSE OF THIS CONFERENCE WAS TO PROVIDE A FORUM FOR THE REGIONAL CINC'S AND THE SERVICES TO DISCUSS THE SOF ISSUES PERTINENT TO THE CONTINUING DEVELOPMENT OF A COHESIVE, VIABLE, AND EFFECTIVE SOF EXERCISE PROGRAM. IT ALSO SERVED TO COORDINATE THEIR INPUT TO THE PURPOSES, OBJECTIVES, AND FORCE LISTS PRIOR TO ATTENDING REGIONAL JCS 5-YEAR EXERCISE CONFERENCES.

FINALLY, USSOCOM FORCES HAVE CONDUCTED OVER 300 DEPLOYMENTS TO MORE THAN 40 COUNTRIES IN SUPPORT OF THE FIVE REGIONAL CINC'S. TYPICAL OPERATIONS HAVE INCLUDED SECURITY ASSISTANCE, HUMANITARIAN ASSISTANCE, EXCHANGE TRAINING, JOINT READINESS EXERCISES, COUNTERNARCOTICS SUPPORT OPERATIONS, AND FLEET SUPPORT.

THE LEGISLATION

THE LAW ESTABLISHING USSOCOM ASSIGNED TO IT UNIQUE MISSION AREAS NOT PREVIOUSLY CHARGED TO A UNIFIED COMMAND. THESE INCLUDE OVERSIGHT RESPONSIBILITIES FOR THE CONSOLIDATION AND VALIDATION OF REQUIREMENTS TO ENSURE SOF INTEROPERABILITY; DEVELOPMENT OF A SOF ROLE IN THE PLANNING, PROGRAMMING, AND BUDGETING PROCESS; HEAD OF AGENCY AUTHORITY FOR THE ACQUISITION OF SPECIAL OPERATIONS-PECULIAR MATERIEL, SUPPLIES, AND EQUIPMENT; AND OVERSIGHT OF SOF PERSONNEL PROMOTIONS, ASSIGNMENTS, AND PROFESSIONAL DEVELOPMENT OF SOF OFFICERS. TO THIS END, THERE HAVE BEEN MANY ACCOMPLISHMENTS, BUT AS YOU KNOW, THERE IS MORE WORK TO BE DONE. AT THIS TIME I WISH TO PROVIDE YOU WITH AN UPDATE ON THE WORK OF THE PAST YEAR AND THE ISSUES AS WE SEE THEM FOR OUR FUTURE EFFORTS.

WHAT USSOCOM HAS ACCOMPLISHED

USSOCOM ORGANIZATION

THE SERVICES HAVE CONTINUED TO ASSIGN TOP-NOTCH PEOPLE TO POSITIONS AT USSOCOM HEADQUARTERS. BY THE END OF FY89 WE WILL BE AT OUR AUTHORIZATION OF 472. IN THE LAST YEAR, USSOCOM HAS CONCENTRATED ITS EFFORTS IN THREE DIRECTIONS: DOWNWARD TO OUR COMPONENTS AND UNITS ASSIGNED TO THE COMMAND, FOCUSING ON OPERATIONS, JOINT INTEROPERABILITY, AND RESOURCING OF SOF; LATERALLY TO THE FIVE REGIONAL CINCs WE SUPPORT; AND UPWARD BY OUR WASHINGTON OFFICE KEEPING ITS FOCUS DIRECTED TO THE OFFICE OF SECRETARY OF DEFENSE AND THE JOINT STAFF. THE ASSIGNMENT OF NAVAL SPECIAL WARFARE GROUPS ONE AND TWO, EFFECTIVE IN MARCH OF THIS PAST YEAR, COMPLETED THE ASSIGNMENT OF THE COMMAND'S OPERATIONAL FORCES.

INTEROPERABILITY OF SOF

IN THE LAST YEAR, THIS COMMAND AND ITS COMPONENTS HAVE MADE CONSIDERABLE ADVANCES IN SOF INTEROPERABILITY. EFFORTS HAVE COME TO FRUITION IN AREAS OF TRAINING AND EXERCISE PROGRAMMING, FORMAL SCHOOLS AND EDUCATION, AND EQUIPMENT COMPATABILITY. THE FOLLOWING IS A BREAK-OUT OF SPECIFIC ACHIEVEMENTS AND IMPROVEMENTS:

JOINT SCHOOLING AND EDUCATION

THERE HAVE BEEN SEVERAL INTEROPERABILITY ENHANCEMENTS AT THE VARIOUS SOF SCHOOLS, SUCH AS SEAL CORPSMEN ATTENDING ARMY MEDICAL TRAINING AT FT SAM HOUSTON AND FT BRAGG, AND AIR FORCE SOF PARARESCUEMEN ATTENDING THE ARMY SPECIAL OPERATIONS SKILL COURSE. AIR FORCE AND NAVY SOF ARE ATTENDING ARMY BASIC AIRBORNE TRAINING AT FT BENNING AND SEALS ARE RECEIVING PARACHUTE PACKER/RIGGER TRAINING AT FT LEE. SEALS ARE ALSO RECEIVING SPECIALIZED WEAPONS AND COMMUNICATIONS TRAINING AT BRAGG. THESE ARE ONLY SOME EXAMPLES OF OUR JOINT TRAINING. THE SECOND ITERATION OF THE JOINT SPECIAL OPERATIONS DECEPTION COURSE WAS CONDUCTED AT THE UNITED STATES AIR FORCE SPECIAL OPERATIONS SCHOOL, 9-13 JANUARY 1989. USSOCOM IS ALSO AIDING THE DEFENSE SECURITY ASSISTANCE AGENCY IN DEVELOPING THE

INTERNAL DEFENSE AND DEVELOPMENT EDUCATION AND TRAINING COURSE. THE FIRST COURSE WILL BE CONDUCTED 17-28 APRIL 1989 AND WILL BE PROVIDED TO SELECTED U.S. AND FOREIGN OFFICERS, SUCH AS FOREIGN AREA OFFICERS, MEMBERS OF SECURITY ASSISTANCE ORGANIZATIONS, AND PERSONNEL FROM OTHER GOVERNMENT AGENCIES.

ON 28 JANUARY 1988, THE NAVAL SPECIAL WARFARE CENTER WAS MADE THE PROPONENT FOR SOF MARITIME OPERATIONS, AND THE ARMY'S SPECIAL WARFARE CENTER AND SCHOOL WAS DESIGNATED THE PROPONENT FOR SOF MILITARY FREEFALL PARACHUTING.

JOINT SOF REQUIREMENTS

USSOCOM IS AGGRESSIVELY INVOLVED IN THE SOF ACQUISITION PROCESS FOR SEVERAL NEW SYSTEMS THAT MUST MEET JOINT SOF REQUIREMENTS. WE ARE WORKING WITH THE JCS JOINT REQUIREMENTS OVERSIGHT COUNCIL TO ENSURE INTEROPERABILITY AS A FUNCTION OF USSOCOM'S LEGISLATED AUTHORITY TO VALIDATE SOF REQUIREMENTS. SEVERAL PROGRAMS REQUIRING DIFFERENT ACQUISITION STRATEGIES ARE BEING PURSUED AT THIS TIME. THE FOLLOWING PROGRAMS ARE REPRESENTATIVE OF THESE DIFFERENT STRATEGIES AND THE BROAD SCOPE OF OUR JOINT SOF REQUIREMENTS.

JASORS

AMONG MY TOP PRIORITIES FOR ACQUISITION IS AN EFFECTIVE LOW PROBABILITY OF INTERCEPT/LOW PROBABILITY OF DETECTION COMMUNICATIONS SYSTEM. THIS COMMAND HAS DESIGNATED THE JOINT ADVANCED SPECIAL OPERATIONS RADIO SYSTEM (JASORS) TO PROVIDE THAT CAPABILITY ACROSS THE CONFLICT SPECTRUM, SUPPORTING TACTICAL COMMANDERS. ON 11 JANUARY 1989, APPROVAL OF THE JASORS REQUIRED OPERATIONAL CAPABILITY DOCUMENT WAS OBTAINED. THE FY 90-91 FUNDING FOR JASORS IN THE PRESIDENT'S BUDGET WILL PERMIT US TO START DEVELOPING THIS SYSTEM.

SPECIAL OPERATIONS FORCES LASER ACQUISITION MARKER

THIS PROGRAM IS DESIGNED TO PROCURE A LASER MARKER FOR USE WITH LASER GUIDED BOMBS. CURRENT MARKERS ARE TOO HEAVY FOR SOF USE AND ARE NOT AVAILABLE TO SUPPORT SOF OPERATIONS AS REQUIRED IN THE THEATERS. AT USSOCOM, WE EXAMINED THE ARMY AND NAVY LASER MARKER REQUIREMENTS WITH THE VIEW OF COMBINING THE REQUIREMENTS AND ACQUISITION STRATEGIES INTO A SINGLE PROGRAM, DRAWING ON THE SYSTEM IN USE BY THE NAVY THE USSOCOM ACQUISITION STRATEGY WILL ADVANCE THE ARMY'S FIRST UNIT EQUIPPED DATE BY THREE YEARS AND SAVE THE ARMY SOF COMMUNITY AS MUCH AS THREE MILLION DOLLARS IN RDT&E COSTS. AS THE REQUIREMENT IS VALIDATED, FUNDING REQUIREMENTS WILL BE INCLUDED IN THE FY 92-97 PROGRAM OBJECTIVE MEMORANDUM.

COMBAT TALON II INTEGRATED ELECTRONICS WARFARE

AN INITIATIVE THAT WILL GREATLY ENHANCE SOF INFILTRATION/ EXFILTRATION CAPABILITY, AS WELL AS INTEROPERABILITY FOR THE SOF FIXED-WING FLEET, IS INTEGRATED ELECTRONICS WARFARE (IEW). IEW WILL PROVIDE IMPROVED SITUATIONAL AWARENESS FOR THE AIRCREW, IMPROVED COUNTERMEASURES, AND INCREASED COMMONALITY OF ELECTRONIC WARFARE EQUIPMENT. INITIALLY, OUR APPROACH IS TO INTEGRATE THE ELECTRONIC WARFARE CAPABILILTIES ON ONE OF THE NEW COMBAT TALON II AIRCRAFT, THEN WE WILL USE IT AS THE PROTOTYPE AIRFRAME FOR DESIGNING AND EVALUATING COMMON EQUIPMENT SUPPORTED BY A COMMON ARCHITECTURE. ADDITIONALLY, THE USSOCOM STAFF IS WORKING WITH THE AIR FORCE TO DETERMINE THE SYSTEM LEVEL HARDWARE REQUIREMENTS THROUGH THE INTERACTIVE DEFENSIVE AVIONICS SYSTEMS (IDAS) STUDIES. USSOCOM STRUCTURED A PHASED PROGRAM TO OBTAIN A FULLY INTEGRATED ELECTRONIC WARFARE SUITE FOR SOF FIXED-WING AIRCRAFT. WE ARE WORKING WITH THE AIR FORCE TO ESTABLISH THE PRE-PLANNED PRODUCT IMPROVEMENT AND MODIFICATION PROGRAMS FOR INSTALLING INTEGRATED ELECTRONIC WARFARE SYSTEMS ON ALL SOF AIRPLANES, INCLUDING SOF ROTARY WING ASSETS. COMBAT TALON II IEW FUNDING IS INCLUDED IN THE FY90-94 FIVE YEAR DEFENSE PROGRAM.

SOF MISSION PLANNING SYSTEMS

AS THE PROPONENT FOR JOINTNESS WITHIN SOF, USSOCOM IS FOCUSING ON THE INTEROPERABILITY ISSUE OF BOTH THE THIRD GENERATION PLANNING SYSTEMS FOR AIRCREWS AND THE TECHNOLOGY DEMONSTRATION APPROACH OF THE SOF PLANNING AND REHEARSAL SYSTEM. THE USSOCOM STAFF IS LOOKING AT THE REQUIREMENTS ISSUES BETWEEN AIR FORCE AND ARMY SOF AVIATION MISSION PLANNING, AS WELL AS GROUND AND NAVAL MISSION PLANNING, TO REDUCE THE COSTS EACH SERVICE WOULD FACE FOR R&D, PROCUREMENT, AND LIFE CYCLE SUPPORT. THE SOF PLANNING AND REHEARSAL SYSTEM HAS THE POTENTIAL TO PROVIDE GROUND, SEA, AND AIR SOF WITH TOOLS TO ADVANCE OUR SOF TARGETING CAPABILITIES BY THE EARLY 1990S WITH THREE DIMENSIONAL, IMAGE-BASED SCENE GENERATION. PLANNERS AND EXECUTING TEAM LEADERS AND AIRCREWS WILL BE ABLE TO ENVISION AND REHEARSE MENTALLY AN ENTIRE MISSION WITHIN A THREE DIMENSIONAL, TIME RELEVANT, ACTUAL IMAGE OF TERRAIN. SUPPORTED BY OUR "SOCRATES" INTELLIGENCE SYSTEM, WHICH I WILL ADDRESS LATER, THE SYSTEM WILL REDUCE MISSION PLANNING TIME AND REPLACE LARGE PORTIONS OF CURRENT TARGET FOLDERS.

AIRCREW TRAINING SYSTEM

THE ACTIVE INVOLVEMENT OF THE USSOCOM STAFF AND THAT OF COMAC IN THE DEVELOPMENT OF THE AIR FORCE'S SOF AIRCREW TRAINING SYSTEM (ATS) HAS RESULTED IN RELEASE OF AN ADEQUATE REQUEST FOR PROPOSAL TO INDUSTRY FOR A TRAINING AND REHEARSAL SYSTEM THAT WILL INCLUDE THE DEVICES, CURRICULUM, COURSEWARE, INSTRUCTION, SCHEDULING, AND MAINTENANCE TO SUPPORT QUALIFICATION AND CONTINUATION TRAINING, AS WELL AS MISSION REHEARSAL FOR ALL AIR FORCE SOF FIXED WING AIRCRAFT. GROWTH TO INCLUDE ROTARY WING ASSETS IS ALSO ENVISIONED. ATS FUNDING IS INCLUDED IN THE FY 90-94 FIVE YEAR DEFENSE PROGRAM.

READINESS

THE ACTIVE AND RESERVE COMPONENT READINESS OF THE COMMAND, OVERALL, HAS IMPROVED IN THE LAST YEAR. THE READINESS REPORTING SYSTEM CONTINUES TO HIGHLIGHT PROBLEM AREAS THAT WE RESOLVE, OR WORK WITH THE APPROPRIATE SERVICE TO RESOLVE.

PERSONNEL READINESS

OVERALL, SPECIAL OPERATIONS FORCES, COMPARED TO CONVENTIONAL FORCES, ARE MAINTAINING RELATIVELY HIGH STATES OF READINESS AS MEASURED BY THE STATUS OF RESOURCES AND TRAINING SYSTEM. HOWEVER, FOR THE NAVAL SPECIAL WARFARE PLATOONS, DURING THEIR REGENERATION CYCLE IN PREPARATION FOR AN OPERATIONAL DEPLOYMENT, NSW PLATOONS WILL NORMALLY REPORT LOW PERSONNEL READINESS. THIS SITUATION IS NORMAL AND DOES NOT, IN FACT, INDICATE A READINESS PROBLEM. THIS POLICY IS GOVERNED BY NAVAL PUBLICATIONS.

ACTIVE COMPONENT/RESERVE COMPONENT MIX

THE OVERALL SOF RESERVE COMPONENT CONTRIBUTION TO THE TOTAL FORCE IS ADEQUATE AND WORKABLE. HOWEVER, EACH SERVICE COMPONENT ORGANIZES SOF TO MEET WARTIME REQUIREMENTS AS SPECIFIED BY ITS PARENT SERVICE. AS USSOCOM MATURES AND REASSESSES THE ADEQUACY OF SOF TO SUPPORT GLOBAL REQUIREMENTS, ADJUSTMENTS TO THE ACTIVE COMPONENT/RESERVE COMPONENT MIX MAY BE APPROPRIATE. ANY REALIGNMENT MUST IMPROVE THE EFFECTIVENESS AND EFFICIENCY OF SOF IN SUPPORT OF WARTIME REQUIREMENTS. IN THE HIGH PROBABILITY OF CONFLICT ENVIRONMENT, THE RESTRICTIONS PLACED ON DEPLOYMENT/EMPLOYMENT OF THE RESERVE COMPONENT DURING CONTINGENCY OPERATIONS ARE A LIMITATION.

RESERVE COMPONENT MISSION

THE PURPOSE OF THE RESERVE COMPONENTS IS TO PROVIDE UNITS AND INDIVIDUALS TO AUGMENT THE ACTIVE COMPONENT IN TIME OF WAR OR NATIONAL EMERGENCY. USSOCOM RELIES ON ITS RESERVE AND GUARD SOF TO PROVIDE SOME SUPPORT TO THEATER COMMANDERS. FOR EXAMPLE: SOME NAVAL SPECIAL WARFARE BOAT UNITS COME FROM THE NAVAL RESERVE, SPECIAL FORCES GROUPS ARE IN THE RESERVE COMPONENT, SOME AUTHORIZED AC-130 GUNSHIPS ARE IN THE AIR FORCE RESERVE, AND US ARMY RESERVE PERSONNEL MAKE UP A SIGNIFICANT PORTION OF

PSYCHOLOGICAL OPERATIONS AND CIVIL AFFAIRS FORCES.

ARMY RESERVE COMPONENT SPECIAL FORCES UNITS TRAIN TO ESTABLISHED STANDARDS FOR OPERATIONAL READINESS IN ALL SPECIAL FORCES MISSIONS. HOWEVER, DUE TO LIMITATIONS IN TRAINING TIME AVAILABLE, UNITS FACE FORMIDABLE CHALLENGES IN TRAINING TO AND MAINTAINING THE HIGH STANDARDS REQUIRED FOR THESE MISSIONS. USSOCOM IS WORKING WITH THE DEPARTMENT OF THE ARMY TO REFINE THE MISSION ESSENTIAL TASK LIST FOR RESERVE COMPONENT SPECIAL FORCES GROUPS AND LIMIT EACH UNIT TO ONE SPECIFIC MISSION FOR WHICH IT CAN ATTAIN AND MAINTAIN HIGH LEVELS OF READINESS.

RESERVE COMPONENT READINESS

RESERVE COMPONENT SOF HAVE DEMONSTRATED THEIR READINESS BY SUPERB PERFORMANCE IN SELECTED ASSIGNED MISSIONS. THERE ARE, HOWEVER, SEVERAL PROBLEM AREAS IN RESERVE COMPONENT SOF. WHILE SOME PROGRESS HAS BEEN MADE, THERE ARE NO SHORT CUTS OR SHORT-TERM SOLUTIONS. ONE INITIATIVE WHICH HOLDS PARTICULAR PROMISE FOCUSES RECRUITING EFFORTS FOR RESERVE COMPONENTS ON ACTIVE COMPONENT PERSONNEL WHO HAVE RECENTLY SEPARATED FROM ACTIVE SERVICE. THIS WILL MINIMIZE THE NUMBER OF INITIAL ENTRY PERSONNEL WHO REQUIRE EXTENSIVE, TIME-CONSUMING TRAINING TO QUALIFY IN REQUIRED SOF SKILLS.

TRAINING

DURING THE LAST YEAR, THIS COMMAND AND ITS COMPONENTS HAVE MADE ADVANCEMENTS IN SOF TRAINING. THE FOLLOWING IS A BREAK-OUT OF SPECIFIC ACHIEVEMENTS AND IMPROVEMENTS:

AS ALREADY MENTIONED, THERE HAVE BEEN SEVERAL INTEROPERABILITY ENHANCEMENTS AT THE VARIOUS SOF SCHOOLS. ARMY, NAVY AND AIR FORCE SPECIAL OPERATIONS PERSONNEL ARE ATTENDING CONSOLIDATED COURSES IN BASIC AND ADVANCED MEDICAL, AIRBORNE, COMMUNICATIONS AND DIVE SKILLS.

PROGRESS HAS BEEN MADE IN CONSOLIDATING ALL SOF TRAINING REQUIREMENTS FOR THE COMPONENTS AND ASSISTING THE REGIONAL SPECIAL OPERATIONS COMMANDS IN INTEGRATING JOINT SOF TRAINING. USCINCSOC HAS ESTABLISHED QUARTERLY TRAINING WORKSHOPS TO IDENTIFY TRAINING REQUIREMENTS AND COORDINATE THE INTER-SERVICE SUPPORT REQUIRED TO MAKE MORE EFFICIENT USE OF JOINT SOF TRAINING OPPORTUNITIES.

LANGUAGE

ALL THEATERS REQUIRE QUALIFIED LINGUISTS IN SPECIAL FORCES, CIVIL AFFAIRS AND PSYCHOLOGICAL OPERATIONS UNITS. THE ARMY HAS NEVER MET ITS SOF LINGUIST REQUIREMENTS--A PROBLEM THAT HAS PERSISTED FOR THREE DECADES. ACTIVE DUTY SPECIAL FORCES LANGUAGE TRAINING PROGRAMS DO NOT PRODUCE SUFFICIENT NUMBERS OF ADEQUATELY QUALIFIED LINGUISTS. HOWEVER, LANGUAGE PROFICIENCY PAY IS PROVIDING SOME INCENTIVE FOR SOLDIERS TO DEVELOP AND MAINTAIN LANGUAGE PROFICIENCY. IN THE RESERVE COMPONENT, LIMITED DRILL TIME, LENGTH OF LANGUAGE TRAINING PROGRAMS, AND THE PERISHABLE NATURE OF LANGUAGE SKILLS EXACERBATE PROBLEMS FOUND IN THE ACTIVE FORCES. THESE FACTORS PRESENT AN ALMOST INSURMOUNTABLE PROBLEM FOR RESERVISTS. RECENT AUTHORIZATIONS FOR LANGUAGE PROFICIENCY PAY FOR RESERVE LINGUISTS HAVE HAD LITTLE EFFECT. A DOD LANGUAGE WORKING GROUP HAS BEEN ESTABLISHED TO WORK THESE LANGUAGE PROBLEMS. THIS EFFORT WILL UPDATE AND IMPROVE SOF LANGUAGE TRAINING PROGRAMS.

JOINT MISSION ANALYSIS

THE USSOCOM JOINT MISSION ANALYSIS (JMA) IS A MAJOR INITIATIVE BEING UNDERTAKEN IN COORDINATION WITH THE SERVICES, THEATER CINCS, AND NATIONAL AGENCIES TO ANALYZE THEATER AND NATIONAL MISSION AREA REQUIREMENTS FOR SPECIAL OPERATIONS, PSYCHOLOGICAL OPERATIONS, AND CIVIL AFFAIRS FORCES. THE JOINT MISSION ANALYSIS PROCESS BEGAN IN NOVEMBER 1987 WITH THE DRAFTING OF THE USSOCOM OPERATIONAL CONCEPT. USSOUTHCOM JOINT MISSION ANALYSIS BEGAN IN EARLY OCTOBER 1988 AND SHOULD BE COMPLETE IN MAY 1989. USSOCOM AND USSOUTHCOM TEAMS ARE WORKING TOGETHER TO DEVELOP METHODOLOGIES AND SCENARIOS TO ADDRESS THE

REQUIREMENTS OF LOW INTENSITY CONFLICT, REGIONAL CONTINGENCIES, AND GLOBAL WAR. USPACOM JOINT MISSION ANALYSIS WAS INITIATED IN DECEMBER 1988. JOINT MISSION ANALYSIS RESULTS WILL BE INTEGRATED INTO THE PLANNING, PROGRAMMING, AND BUDGETING SYSTEM; JOINT STRATEGIC PLANNING SYSTEM; AND JOINT OPERATIONS PLANNING EXECUTION SYSTEM AND THEATER PLANS. WE HAVE LEARNED FOUR MAJOR LESSONS IN THIS EFFORT. FIRST, JOINT MISSION ANALYSIS HAS FACILITATED THEATER LOW INTENSITY CONFLICT STRATEGY PLANNING IN USSOUTHCOM. SECOND, THE JMA PROCESS HAS REFINED THE IDENTIFICATION AND CATEGORIZATION OF SPECIAL OPERATIONS ISSUES BY FUNCTIONAL AREA BY THEATER. THIRD, QUANTIFYING SOME AREAS IN SPECIAL OPERATIONS, CIVIL AFFAIRS, AND PSYCHOLOGICAL OPERATIONS MISSIONS IS VERY DIFFICULT, SUCH AS "WHAT IS THE CONTRIBUTION OF A SIX-MAN SPECIAL OPERATIONS MILITARY TRAINING TEAM TO A THIRD WORLD COUNTRY?" AND LASTLY, THE JOINT MISSION ANALYSIS CANNOT BE ACCOMPLISHED SUCCESSFULLY WITHOUT PROACTIVE AND DEDICATED SUPPORT FROM EACH THEATER. WE SEE THE JOINT MISSION ANALYSIS EFFORT TAKING APPROXIMATELY TWO YEARS. THE END RESULT WILL BE A COMPLETE AND DETAILED VALIDATION OF SOF REQUIREMENTS IN ALL THEATERS IN LOW, MID, AND HIGH INTENSITY CONFLICT.

COMMUNICATIONS

COMMUNICATIONS INTEROPERABILITY

THE USSOCOM COMMAND AND CONTROL SYSTEM MASTER PLAN WAS PUBLISHED IN AUGUST 1988. THIS MASTER PLAN DOCUMENTS THE COMMAND'S COMMAND, CONTROL, AND COMMUNICATIONS SYSTEM AND DETAILS ITS REQUIREMENTS FOR SOF WORLDWIDE, ESTABLISHING THE BASIS OF COMMUNICATIONS INTEROPERABILITY. THE FY89 MASTER PLAN WILL EXTEND THE SCOPE OF THE COMMAND'S COMMAND, CONTROL, AND COMMUNICATIONS SYSTEM TO INCLUDE THE REGIONAL CINC'S SPECIAL OPERATIONS HEADQUARTERS REQUIREMENTS.

THE JOINT SOF COMMAND, CONTROL, AND COMMUNICATIONS INTEROPERABILITY PROGRAM WORKING GROUP IS AN ONGOING BODY, CHAIRED BY USSOCOM, THAT MEETS QUARTERLY TO COORDINATE INITIATIVES. THE FY88 ACCOMPLISHMENTS WERE:

- PUBLICATION OF THE SOF COMMAND, CONTROL, AND COMMUNICATIONS ARCHITECTURE THAT DOCUMENTED THE CURRENT STRUCTURE AND DETAILED THE OBJECTIVE ARCHITECTURE THAT SOF MUST OBTAIN.
- DEVELOPMENT AND DELIVERY OF THE COMMUNICATIONS LINK INTERFACE PLANNING SYSTEM TO USSOCOM AND THE SOF COMMUNITY. THIS SOFTWARE PROGRAM ALLOWS PLANNERS TO VERIFY INTEROPERABILITY OF SINGLE CHANNEL EQUIPMENT.
- THE FOLLOWING COMMAND, CONTROL, AND COMMUNICATIONS INTEROPERABILILTY ISSUES ARE BEING ADDRESSED BY USSOCOM:
- STANDARD SYSTEMS, PROCEDURES, AND INTERFACE BETWEEN JCS AND SOF UNITS.
- COMMUNICATIONS STANDARDS FOR VOICE AND DATA SYSTEMS FOR SOF OPERATIONS WORLDWIDE.
- STANDARDS FOR THE INTERFACE OF SOF COMMAND, CONTROL, AND COMMUNICATIONS TO CONVENTIONAL AND STRATEGIC COMMAND, CONTROL, AND COMMUNICATIONS SYSTEMS.

COMMUNICATIONS STATUS

FIVE MAJOR PROJECTS HAVE BEEN UNDERTAKEN TO ENHANCE THE COMMUNICATIONS POSTURE OF HQ USSOCOM:

- INTERIM COMMAND, CONTROL, AND COMMUNICATIONS FOR USSOCOM. THIS IS A DIAL-UP SECURE VOICE, FACSIMILE, AND DATA CAPABILITY CONNECTING HQ USSOCOM, THE WASHINGTON OFFICE, AND ALL MAJOR SOF COMPONENTS.
- DATA BROADCAST SYSTEM/PROJECT SCAMPI. THIS IS A NETWORK OF LEASED FIBER OPTIC CIRCUITS THAT TIE TOGETHER PRINCIPAL PLAYERS IN THE SOF COMMUNITY AND NATIONAL AGENCIES IN CONUS. IT PROVIDES SECURE VOICE FOR BOTH SPECIAL INTELLIGENCE AND TOP SECRET, AND THE TRANSMISSION MEDIA FOR AUTOMATED INTELLIGENCE AND OPERATIONS SYSTEMS.

- RED SWITCH. THIS IS A FULLY SECURE SYSTEM WHICH PROVIDES STATE-OF-THE-ART CONSOLES FOR THE USSOCOM COMMAND CENTER AND COMMAND SWITCHBOARD, AS WELL AS SECURE COMMUNICATIONS AMONG PERSONNEL WITHIN HQ USSOCOM AND TO OTHER UNIFIED AND SPECIFIED COMMANDS AND SELECTED COMPONENTS.
- USSOCOM GARRISON ADMINISTRATIVE TELEPHONE UPGRADE. THIS IS A REPLACEMENT OF A LEASED, 30 YEAR OLD KEY TELEPHONE SYSTEM WITH GOVERNMENT OWNED CABLE, STU-III, OR STATE-OF-THE-ART SINGLE LINE MEMORY PHONES. IT WILL PROVIDE SECURE AND NON-SECURE ADMINISTRATIVE TELEPHONE SERVICE WITHIN THE USSOCOM BUILDINGS AND WORLDWIDE. ELIMINATION OF THE LEASED SYSTEM WILL RESULT IN A SAVING OF SEVERAL HUNDRED THOUSAND DOLLARS PER YEAR.
- WASHINGTON OFFICE COMMUNICATION UPGRADE. THIS OFFICE'S ACTIVATION NECESSITATED THE INSTALLATION OF A COMMUNICATION SUPPORT PACKAGE, TO INCLUDE SECURE VOICE, DATA, AND FACSIMILE, AND AN UPDATING OF THE ADMINISTRATIVE TELEPHONE SYSTEM.

INTELLIGENCE

PRIOR TO THE ESTABLISHMENT OF USSOCOM, THERE WAS NO SINGLE SPOKESMAN FOR SOF INTELLIGENCE NEEDS NOR WERE SOF REQUIREMENTS FULLY INTEGRATED INTO THE INTELLIGENCE COMMUNITY PROCESSES. SINCE ITS FORMATION, USSOCOM HAS MADE SIGNIFICANT PROGRESS IN DEVELOPING SOF INTELLIGENCE CAPABILITIES TO SUPPORT SPECIAL OPERATIONS ACROSS THE SPECTRUM OF CONFLICT AND HAS ASSUMED FUNCTIONAL LEADERSHIP ON SOF INTELLIGENCE ISSUES.

THE DEVELOPMENT OF A WORLDWIDE INTELLIGENCE ARCHITECTURE FOR SOF HAS BEEN THE CORNERSTONE OF OUR EFFORT. THE USSOCOM INTELLIGENCE STAFF IS WORKING WITH EACH THEATER CINC TO DEVELOP A SOF SUBARCHITECTURE FOR EACH OF THEIR THEATER INTELLIGENCE ARCHITECTURES. THIS EFFORT WILL ENSURE WORLDWIDE COMPATIBILITY AND INTEROPERABILITY BETWEEN SOF AND CONVENTIONAL FORCES. SOF SUBARCHITECTURES HAVE BEEN DRAFTED FOR USEUCOM, USSOUTHCOM, AND USCENTCOM. USPACOM AND USLANTCOM SOF SUBARCHITECTURES ARE SCHEDULED FOR DEVELOPMENT DURING SECOND QUARTER FY89. A PRINCIPAL OUTCOME OF THIS EFFORT IS THE COMMAND ARCHITECTURE IMPLEMENTATION PLAN, DEVELOPED IN COORDINATION WITH THE REGIONAL CINCS, THAT PROGRAMMATICALLY ADDRESSES SHORTFALLS AND DEFICIENCIES.

A MAJOR ACCOMPLISHMENT FOR SOF INTELLIGENCE WILL BE THE ACTIVATION OF THE SPECIAL OPERATIONS COMMAND RESEARCH, ANALYSIS AND THREAT EVALUATION SYSTEM (SOCRATES). THIS SYSTEM IS AN UMBRELLA ARCHITECTURE DESIGNED TO INTEGRATE EXISTING AND PLANNED INTELLIGENCE AUTOMATION CAPABILITIES. IT PROVIDES SECURE EXCHANGE OF CURRENT INTELLIGENCE, DATABASES, VOICE AND FACSIMILE TRANSMISSION, AND SECONDARY IMAGERY DISSEMINATION. FOR THE FIRST TIME, WORLDWIDE THREAT ORDER OF BATTLE, INSTALLATION AND FACILITY DATA, AND TAILORED CURRENT INTELLIGENCE WILL BE AVAILABLE AT A SINGLE WORKSTATION. THIS SYSTEM WILL BEGIN PROVIDING OUR COMPONENTS ACCESS TO USSOCOM DATA BASES WITH PLANNED CONNECTIVITY DOWN TO THE SPECIAL FORCES GROUPS, AIR FORCE SPECIAL OPERATIONS WINGS, AND NAVAL SPECIAL WARFARE GROUPS. THIS SYSTEM, WHICH USES THE COMMUNICATIONS OF THE DATA BROADCAST NETWORK, WILL PROVIDE NEAR-REAL TIME DISSEMINATION OF COLLATERAL AND SENSITIVE COMPARTMENTED INTELLIGENCE BETWEEN USSOCOM, ITS COMPONENTS, AND THE NATIONAL INTELLIGENCE COMMUNITY AND PROVIDE SOF WITH UNPRECEDENTED ACCESS TO COMMUNITY INTELLIGENCE PRODUCTS.

IN MAY 1988, USSOCOM BECAME THE FIRST UNIFIED COMMAND TO INSTALL THE SWIFT HAWK COLLECTION REQUIREMENTS MANAGEMENT SYSTEM. THIS CAPABILITY HAS GREATLY ENHANCED THE COMMAND'S ABILITY TO SUBMIT INTELLIGENCE COLLECTION REQUIREMENTS FOR DELIBERATE PLANNING AND TARGETING. WORK CONTINUES WITHIN USSOCOM TO DEVELOP OPERATIONAL CONCEPTS FOR HUMAN, IMAGERY, AND SIGNAL INTELLIGENCE SUPPORT OF SPECIAL OPERATIONS FORCES IN PEACE, CRISIS, AND WAR. THESE CONCEPTS WILL PROVIDE GUIDANCE ON REQUIREMENTS AND DISSEMINATION FOR EACH INTELLIGENCE DISCIPLINE.

INTELLIGENCE PRODUCTION NEEDS AND READINESS RELATED INTELLIGENCE CHALLENGES HAVE BEEN DOCUMENTED IN THE SOF ANNUAL READINESS REPORT. THE GAP BETWEEN REQUIREMENTS AND PRODUCTION CONTINUES TO BE MONITORED THROUGHOUT THE INTELLIGENCE COMMUNITY. A MAJOR PROBLEM IS THE NEED TO EXPAND AND IMPROVE INTELLIGENCE PRODUCTION IN THE LOW INTENSITY CONFLICT ARENA AND THIRD WORLD AREAS WHERE SOF HAVE THE HIGHEST PROBABILITY OF BEING DEPLOYED.

INTELLIGENCE SUPPORT TO THE SPECIAL OPERATIONS TARGETING PROCESS IS UNIQUE BECAUSE OF THE COMPLEXITIES ASSOCIATED WITH AND THE NEED FOR EXTREMELY DETAILED INTELLIGENCE. TO ADDRESS SOF TARGETING ISSUES, USSOCOM HAS INITIATED ANNUAL CONFERENCES ON INTELLIGENCE SUPPORT TO SOF MISSION PLANNING. MAJOR OUTCOMES INCLUDE DEVELOPMENT OF JOINT DOCTRINE AND TECHNIQUES, AND PROCEDURES THAT ENSURE COMMON, INTEROPERABLE APPROACHES AND REFINE SUPPORTING INTELLIGENCE REQUIREMENTS. DURING REGIONAL CONFLICTS OR CONTINGENCIES, SOF CAN EXPECT TO BE SUPPORTED WITH ALL AVAILABLE RESOURCES IN ORDER TO ACHIEVE ACCELERATED TARGET PLANNING. THE NATIONAL AGENCIES HAVE RESPONDED BY ESTABLISHING CRISIS SUPPORT MECHANISMS THAT CAN PUT NEAR-REALTIME INTELLIGENCE IN THE HANDS OF OPERATORS. THIS ALSO APPLIES TO MAPPING, CHARTING AND GEODESY REQUIREMENTS OF SOF. WE HAVE DEVELOPED A GOOD DIALOGUE WITH THE DEFENSE MAPPING AGENCY, AND, WITH THE IMPROVED CONNECTIVITY PROVIDED BY SOCRATES, OUR MAPPING SUPPORT WILL GET EVEN BETTER. WHILE THIS INCREASED SUPPORT WILL ENABLE RAPID DEVELOPMENT OF CONTINGENCY PLANS, PEACETIME MISSION PLANNING REQUIREMENTS CONTINUE TO COMPETE WITH ALL OTHER DAY-TO-DAY REQUIREMENTS.

PSYCHOLOGICAL OPERATIONS

AS A RESULT OF INITIATIVES DIRECTED BY THE 1985 PSYCHOLOGICAL OPERATIONS MASTER PLAN, THE INSTITUTIONAL STRUCTURE FOR REVITALIZING MILITARY PSYCHOLOGICAL OPERATIONS IS PARTIALLY IN PLACE AND PROGRESS IS BEING MADE. INSTITUTIONALLY, MECHANISMS DO EXIST TO WORK WITH THE NATIONAL SECURITY COUNCIL. ADDITIONALLY, JOINT DOCTRINE HAS BEEN PUBLISHED, PROGRESS HAS BEEN MADE IN MILITARY EDUCATION AND FORCE STRUCTURE MODERNIZATION, AND THE SERVICES AND UNIFIED/SPECIFIED COMMANDS ARE ESTABLISHING PSYCHOLOGICAL OPERATIONS AS A REGULAR PART OF THEIR PLANNING.

ASSIGNMENT OF PSYCHOLOGICAL OPERATIONS FORCES TO USSOCOM PROVIDES UNIQUE OPPORTUNITIES TO CONTINUE THAT REVITALIZATION. HOWEVER, STILL TO BE ACCOMPLISHED ARE DEVELOPMENT OF POLICY GUIDANCE ON THE RELATIONSHIP OF PSYCHOLOGICAL OPERATIONS TO PUBLIC AFFAIRS, PUBLIC DIPLOMACY, AND OTHER INFORMATION PROGRAMS. ADDITIONALLY, SERVICE PSYCHOLOGICAL OPERATIONS DOCTRINE MUST BE ALIGNED WITH JOINT DOCTRINE AND THE NATIONAL POLICY OF THE GOVERNMENT'S INTERNATIONAL INFORMATION PROGRAMS. THERE HAVE BEEN SIGNIFICANT ACCOMPLISHMENTS IN EDUCATION AND TRAINING, BUT ADDITIONAL PROGRESS IS REQUIRED TO INSURE QUALIFIED PERSONNEL ARE AVAILABLE AT ALL LEVELS, WITHIN ALL SERVICES.

THE PROMULGATION OF DOCTRINE MUST BE PARALLELED BY MAJOR IMPROVEMENT IN PSYCHOLOGICAL OPERATIONS PLANNING. WHILE THE JOINT STRATEGIC CAPABILITIES PLAN SETS FORTH BASIC TASKINGS AND GUIDANCE, THE JOINT OPERATIONS PLANNING SYSTEM NEEDS TO SET OUT PROCEDURES FOR PUTTING MUSCLE ON THE SKELETAL PLANNING FRAMEWORK. THE ARMY'S 4TH PSYCHOLOGICAL OPERATIONS GROUP IS THE ONLY DEDICATED UNIT IN THE ACTIVE FORCE, AND AS A RESULT, THIS UNIT IS OVERCOMMITTED. WHILE THERE IS NO IMMEDIATE PROSPECT OF REDUCING THIS OVERLOAD, IT IS ENTIRELY FEASIBLE TO FACILITATE THE GROUP'S WORK AND SUBSTANTIALLY IMPROVE RESPONSE TO CONTINGENCIES.

THE ARMY RESERVE UNITS, REPRESENTING SOME 80% OF THE TOTAL CAPABILITY, HAVE A SHORTAGE OF QUALIFIED PERSONNEL (I.E., MILITARY OCCUPATIONAL SPECIALTY QUALIFICATIONS). THE AIR FORCE

HAS ONLY ONE PSYCHOLOGICAL OPERATIONS UNIT, WHILE NEITHER THE NAVY NOR THE MARINE CORPS HAS ANY DEDICATED PSYCHOLOGICAL OPERATIONS UNITS. ALL THESE UNITS HAVE EQUIPMENT SHORTFALLS. A VIGOROUS INTERSERVICE DEVELOPMENT AND ACQUISITION PROGRAM, THAT TAKES ADVANTAGE OF THE READY AVAILABILITY OF STATE-OF-THE-ART EQUIPMENT, IS BEING DEFINED, VALIDATED AND WILL BE INCLUDED IN THE FY 92-97 POM.

CIVIL AFFAIRS

CONCURRENT WITH THE ASSIGNMENT OF CIVIL AFFAIRS FORCES TO USSOCOM IN THE FIRST QUARTER FY88, THE SECRETARY OF DEFENSE DIRECTED THE DEVELOPMENT AND SUBMISSION OF A CIVIL AFFAIRS MASTER PLAN. JCS CONCURRED WITH OUR REQUEST THAT USSOCOM PREPARE THE MASTER PLAN. ALTHOUGH GLASNOST AND PERESTROIKA HAVE CAPTURED AMERICAN ATTENTION, THE DRAFT PLAN MAINTAINS THAT THE USSR WILL REMAIN THE DOMINANT SINGLE IDEOLOGICAL FOE OF THE US IN THE FORESEEABLE FUTURE. HOWEVER, THE LOW INTENSITY CONFLICT ENVIRONMENT IS CLEARLY RECOGNIZED AS THE MOST PROBABLE ARENA FOR EMPLOYMENT OF CIVIL AFFAIRS FORCES. ONE OF THE SIGNIFICANT CONSIDERATIONS OF THIS MASTER PLAN IS THAT RESPONSIBILITY FOR PREPARING CIVIL AFFAIRS FORCES TO SUPPORT MILITARY OPERATIONS AND NATIONAL OBJECTIVES HAS BEEN GIVEN TO USSOCOM. THE MASTER PLAN PROVIDES AN OPPORTUNITY FOR USSOCOM TO COORDINATE CLOSELY WITH THE SUPPORTED REGIONAL COMMANDS, THE JOINT STAFF, AND THE MILILTARY DEPARTMENTS IN IDENTIFYING CIVIL AFFAIRS REQUIREMENTS TO SUPPORT MILITARY OPERATIONS. USSOCOM SUBMITTED THE INITIAL DRAFT OF THE MASTER PLAN TO THE JOINT STAFF AND MILITARY DEPARTMENTS IN MAY 1988. COMMENTS BY THOSE OFFICES ARE BEING INCLUDED IN THE FINAL DRAFT. THE PLAN WILL BE SENT TO THE CINC'S FOR CONCURRENCE PRIOR TO FORWARDING TO OSD FOR APPROVAL.

SOF PERSONNEL

NOW, LET ME TELL YOU ABOUT WHAT I CONSIDER AS ONE OF OUR SUCCESS STORIES--OUR PEOPLE. FOR THE USSOCOM HQ, AUTHORIZATION INCREASED FROM 250 TO 472 WITH THE APPROVAL OF THE FY 89 JOINT MANPOWER PROGRAM IN MAY 1988. CURRENTLY, 93% OF THE POSITIONS ARE FILLED. MY GOAL IS TO HAVE 60% OF THE HEADQUARTERS STAFF SOF QUALIFIED. CURRENTLY 33% PERCENT OF THE ASSIGNED OFFICERS ARE SOF QUALIFIED. HOWEVER, FOR SOME DIRECTORATES OF THE COMMAND, NON-SOF FUNCTIONAL EXPERTISE IS HIGHLY DESIRABLE AND MORE IMPORTANT THAN SOF EXPERTISE. THIS IS TRUE, FOR EXAMPLE, FOR BUDGET, PROGRAM, LOGISTICS, AND PROCUREMENT PERSONNEL. THE SERVICES ARE CONTINUING TO ASSIGN ONLY THE HIGHEST QUALITY PERSONNEL AS EVIDENCED BY THE BETTER THAN SERVICE-WIDE SELECTION RATE FOR PROMOTIONS AND THE HIGH PERCENTAGE OF SERVICE SCHOOL GRADUATES ASSIGNED TO THE STAFF. IT IS ANTICIPATED THAT ALL POSITIONS WILL BE FILLED BY SUMMER 1989 AND THAT THE SERVICES WILL CONTINUE TO ASSIGN THE HIGHEST QUALITY PERSONNEL.

RESOURCE MANAGEMENT

$286 MILLION PLUS-UP

AMENDMENT NO. 103 TO THE FY89 DOD APPROPRIATIONS BILL ADDED $286 MILLION FOR SPECIAL OPERATIONS FORCES. IN JOINT SESSION, THE HOUSE CONFEREES AGREED WITH THE SENATE THAT THE FY89 SOF BUDGET REQUEST WAS INADEQUATE. CONSEQUENTLY, THE CONFEREES AGREED TO PROVIDE ADDITIONAL FUNDING AS FOLLOWS:

ARMY COMMUNICATIONS PROCUREMENT	$108M
ARMY OPERATIONS & MAINTENANCE	18M
NAVY PATROL BOAT PROCUREMENT	100M
MISC NAVY EQUIPMENT PROCUREMENT	25M
NAVY OPERATIONS & MAINTENANCE	35M
TOTAL	$286M

OSD HAS STATED THE PROCUREMENT APPROPRIATIONS ARE ONE-YEAR APPROPRIATIONS. WE PLAN TO OBLIGATE THESE FUNDS BY 30 SEPTEMBER 1989.

SOF TECHNOLOGY BASE

TO RESOLVE THE SOF TECHNOLOGY RESEARCH NEEDS, USSOCOM HAS TAKEN A PROACTIVE APPROACH TO MEETING OUR REQUIREMENTS WITH OTHER AGENCIES AND THE SERVICES. RECENTLY, THE DEFENSE ADVANCED RESEARCH PROJECTS AGENCY (DARPA) AND USSOCOM INITIATED A PROMISING ARRANGEMENT FOR OUR TWO ORGANIZATIONS THAT WILL FACILITATE KEEPING SPECIAL OPERATIONS FORCES ON THE LEADING EDGE OF TECHNOLOGY. THE DIRECTOR OF DARPA AND SEVERAL OF HIS INTERNAL DIRECTORS, VISITED USSOCOM IN NOVEMBER TO RECEIVE A SOF ORIENTATION AND PRESENTATION ON THE COMMAND'S LONG RANGE TECHNICAL RESEARCH REQUIREMENTS. THIS INITIATIVE WILL BE EXPANDED THIS MONTH TO PROVIDE DETAILED MISSION PROFILE BRIEFS TO HIS PROGRAM MANAGERS IN ORDER TO BETTER COMMUNICATE SOF NEEDS FOR ADVANCED RESEARCH TECHNOLOGY. TO FORMALIZE THESE ACTIVITIES, DARPA AND USSOCOM ARE CONCURRENTLY STAFFING A MEMORANDUM OF AGREEMENT TO ESTABLISH A FORMAL WORKING RELATIONSHIP THAT WILL MEET SOF RESEARCH REQUIREMENTS IN THE 1990s AND BEYOND.

THE FUTURE

INTENT OF CONGRESS

PROGRAM OBJECTIVE MEMORANDUM AND BUDGET AUTHORITY

ON JANUARY 24, 1989, THE ACTING SECRETARY OF DEFENSE APPROVED A PLAN GIVING PROGRAM AND BUDGET RESPONSIBILITIES FOR SPECIAL OPERATIONS FORCES (MAJOR FORCE PROGRAM-11) TO THE COMMANDER-IN-CHIEF, SPECIAL OPERATIONS COMMAND. USCINCSOC WILL EXERCISE THESE RESPONSIBILITIES FULLY IN CONNECTION WITH THE FY 92-97 PLANNING, PROGRAMMING ~~AND~~ BUDGETING CYCLE. IT WAS DECIDED USCINCSOC WILL ASSUME BUDGET EXECUTION RESPONSIBILITIES FOR SELECTED MFP-11 PROGRAMS ON OCTOBER 1, 1990, AND FOR ALL MFP-11 PROGRAMS ON OCTOBER 1, 1991.

THE INITIAL CROSSWALK OF SOF RESOURCES TO MAJOR FORCE PROGRAM 11 WAS COMPLETED IN JUNE 1987. IN THE ENSUING MONTHS, OASD (SO/LIC) AND USSOCOM IDENTIFIED DIFFERENCES IN THE WAY EACH SERVICE EXECUTED THE CROSSWALK. IT IS CRITICAL TO IDENTIFY THE FULL EXTENT OF THESE INCONSISTENCIES IN MAJOR FORCE PROGRAM 11 SO THIS CAN BE CORRECTED BEFORE USSOCOM BEGINS EXERCISING PROGRAM OBJECTIVE MEMORANDUM AND BUDGET AUTHORITY. TO THAT END, THE LOGISTICS MANAGEMENT INSTITUTE WAS CONTRACTED TO ANALYZE AND VALIDATE THE CONTENTS OF MAJOR FORCE PROGRAM 11. THEIR EXPERTISE WILL HELP USSOCOM DEVELOP A PROPER DATA BASE FROM WHICH TO DEVELOP THE FY92-97 POM.

USSOCOM IS PROCEEDING TO INSTITUTE PROCEDURES, MECHANISMS AND STRUCTURE TO SUPPORT THE PROGRAM OBJECTIVE MEMORANDUM PREPARATION PROCESS. AS A PRECURSOR, USSOCOM IS PREPARING A COMPREHENSIVE SOF MASTER PLAN WHICH FORMS THE BASIS FOR USSOCOM'S RECOMMENDED UPDATE TO THE DEFENSE GUIDANCE. AS THE FINAL STEP IN THE DEFENSE GUIDANCE PROCESS, THE COMMAND WILL DEVELOP RECOMMENDED SOF MID-TERM OBJECTIVES WHICH, WHEN APPROVED BY THE SECRETARY OF DEFENSE, WILL BE PROGRAMMING GUIDANCE FOR THE DEVELOPMENT OF THE USSOCOM PROGRAM OBJECTIVE MEMORANDUM. IN ADDITION, THE COMMANDERS OF OTHER UNIFIED AND SPECIFIED COMMANDS WILL SUBMIT INTEGRATED PRIORITY LISTS TO USSOCOM DETAILING THEIR HIGH PRIORITY SOF NEEDS. THESE WILL THEN BE INSERTED INTO THE USSOCOM PROGRAM OBJECTIVE MEMORANDUM DEVELOPMENT PROCESS. I WILL ALSO PREPARE AN INTEGRATED PRIORITY LIST FOR SUBMISSION TO THE SECRETARY OF DEFENSE WHICH INDICATES SOF RELATED PROGRAMS.

THE DETAILED INFORMATION ON MAJOR FORCE PROGRAM 11 RESIDENT IN THE INDIVIDUAL SERVICE DATA BASES WILL BE USED TO ESTABLISH USSOCOM'S OWN MAJOR FORCE PROGRAM 11 DATA BASE. THE MANAGEMENT OF THIS DATA BASE, HOWEVER, IS ONLY A PIECE OF A LARGER MANAGEMENT INFORMATION SYSTEM WHICH WILL ASSIST THE COMMAND IN MAKING THE HARD RESOURCE-RELATED DECISIONS NECESSARY IN THE PRESENT TIGHT FISCAL ENVIRONMENT. THE DIRECTORATE OF RESOURCES IS CURRENTLY CONSTRUCTING THE MANAGEMENT SYSTEM UTILIZING, AS MUCH AS POSSIBLE, THE EXISTING MECHANISMS. THE TOTAL PROGRAM WILL PROVIDE FOR THE PROPER BALANCE AMONG READINESS, MODERNIZATION, SUSTAINABILITY, AND FORCE STRUCTURE

FOR SOF AMONG SERVICES. ONCE THE PROGRAM OBJECTIVE MEMORANDUM IS SUBMITTED TO OSD, THE COMMAND WILL DEFEND ITS INTERESTS BY PARTICIPATING ON THE ISSUE TEAMS FOR THOSE ISSUES AFFECTING MAJOR FORCE PROGRAM 11. WITH THE ADVICE AND ASSISTANCE OF USSOCOM, OASD (SO/LIC) WILL DEFEND MFP 11 PROGRAMS DURING THE DEFENSE RESOURCES BOARD PROCESS. I WILL NEED ABOUT ANOTHER 50 PERSONNEL AUTHORIZATIONS TO PERFORM THE MFP 11 POM/BUDGET FUNCTIONS.

HEAD OF AGENCY AUTHORITY

HEAD OF AGENCY AUTHORITY APPLIES TO THE MAJOR FORCE PROGRAM 11 DECISION-MAKING PROCESS IN THE AREA OF ACQUISITION. MUCH WORK HAS BEEN ACCOMPLISHED TO DATE TOWARDS TOTAL ACQUISITION AUTHORITY AND THE DEVELOPMENT OF A SYSTEM TO MANAGE SOF PECULIAR ACQUISITION. THIS PAST YEAR, THE USSOCOM ACQUISITION STRATEGY GROUP DEFINED THE COMMAND'S ACQUISITION STRATEGY AND OUTLINED A PLAN FOR IMPLEMENTATION. THE GROUP IS NOW DEVELOPING THE ORGANIZATIONAL STRUCTURE, INTERNAL MANAGEMENT PROCEDURES, AND AUTOMATION REQUIREMENTS TO ACCOMPLISH THIS TASK. THE EXECUTION OF THE SPECIAL OPERATIONS-PECULIAR BUDGET, FOR THE MOST PART, WILL BE THROUGH THE DEVELOPMENT OF MEMORANDA OF AGREEMENT WITH THE SERVICES AND GOVERNMENT AGENCIES. USSOCOM PLANS TO EXECUTE THE MAJOR RESEARCH AND DEVELOPMENT EFFORTS AND MAJOR PROGRAM PROCUREMENTS THROUGH THE EXISTING SERVICE ACQUISITION SYSTEMS. USSOCOM WILL NOT DUPLICATE WHAT IS ALREADY IN THE SERVICES. WHAT IS IMPORTANT IS THAT USSOCOM WILL DEVELOP AN IN-HOUSE CAPABILITY TO KEEP SOF ON THE LEADING EDGE OF TECHNOLOGY AND TO QUICKLY MEET OUR CONTINGENCY NEEDS. AS STATED EARLIER, WE ARE ACTIVELY WORKING WITH THE SERVICES ON JOINT, INTEROPERABILITY ISSUES, AND HAVE BEGUN THE FORMAL AGREEMENT PROCESS WITH THE DEFENSE ADVANCED RESEARCH PROJECT AGENCY AND SOME OF THE NATIONAL LABORATORIES. WE HAVE ALSO VISITED THE MARINE CORPS RESEARCH, DEVELOPMENT, AND ACQUISITION COMMAND TO STUDY THEIR STRUCTURE AND PROCEDURES BECAUSE OF THE CLOSE FIT TO OUR SITUATION. LOGISTICS MANAGEMENT INSTITUTE HAS ASSISTED USSOCOM ON HOW TO ESTABLISH THE ACQUISITION RESOURCE INTERFACES WE WILL NEED WITH OSD, THE SERVICES, AND OUR COMPONENTS. OVER THE NEXT TWELVE MONTHS, THE USSOCOM STAFF WILL DEVELOP THE REQUIRED MEMORANDA OF AGREEMENT WITH THE SERVICE AND AGENCY HEADS, AND COMPLETE THE USSOCOM ORGANIZATIONAL STRUCTURE AND INTERNAL PROCEDURES, TO INCLUDE THE IDENTIFICATION OF ADDITIONAL SKILLS AND MANPOWER REQUIREMENTS. AS WE MEET THE INTENT OF CONGRESS, WE WILL ENSURE THIS STRATEGY IS COORDINATED WITH THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION; THE ASD FOR PROGRAMS ANALYSIS AND EVALUATION; THE OSD GENERAL COUNSEL, AND THE CHAIRMAN, JOINT CHIEFS OF STAFF. THE KEY TO SOF REVITALIZATION IS RESOURCES AND A PRIORITY. THIS WILL REQUIRE CONTINUED CONGRESSIONAL SUPPORT. AT THIS TIME I WILL ADDRESS A FEW OF THE KEY USSOCOM ACQUISITION PROGRAMS.

MC-130H

THE MC-130H PROGRAM REPRESENTS MAJOR AVIONICS UPGRADE INCLUDING HIGH ACCURACY INERTIAL NAVIGATION UNITS, A NEW TERRAIN FOLLOWING/TERRAIN AVOIDANCE RADAR, MISSION COMPUTERS, A FORWARD LOOKING INFRARED RADAR SYSTEM, AND ELECTRONIC COUNTERMEASURES CAPABILITY. THE CREW SIZE OF THE TALON IS GOING TO BE REDUCED FROM NINE ON THE TALON I TO SEVEN ON THE TALON II. PROGRAM RESTRUCTURING HAS CHANGED THE FUNDING PROFILE, AND THE AIR FORCE WILL BE REQUESTING REPROGRAMMIMG APPROVAL FOR $125 MILLION IN FY89 DOLLARS. THIS ACTION IS EXPECTED TO BE COMPLETED BY JUNE 1989. AS RESTRUCTURED, 24 AIRCRAFT ARE BEING ACQUIRED AND PREPLANNED PRODUCT IMPROVEMENTS FOR NAVIGATION, COMMUNICATIONS AND INTEGRATED ELECTRONIC WARFARE ARE PLANNED. THE COMBAT TALON II REPRESENTS THE HEART OF SOF FIXED-WING INFILTRATION/EXFILTRATION CAPABILITY. TO COMPLEMENT THIS CAPABILITY, HOWEVER, THE ONGOING UPGRADE OF THE AGED TALON I REMAINS AN IMPORTANT PRIORITY FOR USSOCOM.

AC-130U

AS WITH THE COMBAT TALON, THE AC-130U GUNSHIP IS A SORELY NEEDED ADDITION TO SOF AIR SUPPORT. THE AC-130U WILL ALLOW FOR ADVERSE WEATHER, SURGICAL FIREPOWER SUPPORT FOR SOF AND CONVENTIONAL FORCES. IT ALSO PROVIDES IMPROVED RELIABILITY, MAINTAINABILITY, SURVIVABILITY, AND LETHALITY OVER THE CURRENT AIRCRAFT. THE CURRENT ACTIVE AC-130H WILL MOVE TO THE RESERVES WHEN REPLACED BY THE NEW U-MODEL. THE AC-130U PROGRAM CALLS FOR 12 AIRCRAFT AND WE ARE MONITORING IT CLOSELY. THE NEED FOR RADAR, COMPUTER AND SOFTWARE INTEGRATION ARE DEMANDING AND CAUSE THE PROGRAM RISK. BOTH THE AIR FORCE AND ROCKWELL ARE WORKING THE CRITICAL ISSUES.

CV-22A

THE CONTINUED DEVELOPMENT OF A SOF VARIANT OF THE V-22 OSPREY WITH LONG RANGE, HIGH SPEED, AND VERTICAL TAKEOFF AND LANDING CAPABILITIES, IS ONE OF OUR HIGHEST PRIORITIES. MANY SOF INFILTRATION/EXFILTRATION MISSIONS WILL REQUIRE THE UNIQUE COMBINATION OF FIXED AND ROTARY WING CAPABILITIES THAT ONLY THE CV-22A CAN PROVIDE. OUR PRIMARY CONCERN WITH THE PROGRAM IS THE SCHEDULE. THE FIRST CV-22A DELIVERIES HAVE ALREADY BEEN SLIPPED FROM FY 94 TO FY 95. ANY FURTHER DELAYS WOULD SERIOUSLY IMPACT ON SOF CAPABILITY.

ROTARY WING PROGRAMS

ROTARY WING AIRCRAFT WILL CONTINUE TO PLAY A KEY ROLE IN MEETING SOF INFILTRATION/EXFILTRATION REQUIREMENTS. THE AIR FORCE MH-53J PROGRAM IS PROCEEDING ON SCHEDULE AND A NUMBER OF THESE VITALLY-NEEDED AIRCRAFT ARE ALREADY ON THE RAMP. THE REMAINDER ARE IN MODIFICATION AND WILL BE COMPLETED IN THE NEAR FUTURE. OUR MH-60G AIRCRAFT ARE ALSO CURRENTLY UNDERGOING MODIFICATION AND ARE PROVING THEMSELVES EFFECTIVE SPECIAL OPERATIONS ASSETS. THE ARMY'S MH-60K AND MH-47E PROGRAMS ARE WELL INTO THE DEVELOPMENT PHASE AND NEED STRONG CONGRESSIONAL SUPPORT TO MOVE FOWARD INTO THE PRODUCTION PHASE. THESE PROGRAMS WILL GIVE US AN IMPROVED CAPABILITY FOR SHORT TO MID-RANGE SOF MISSIONS.

SOLL-II UPGRADE

THE SOLL-II MISSION AVIONICS UPGRADE, WHICH WILL PROVIDE IMPROVED CAPABILITY TO OPERATE AT LOW LEVEL AND IMPROVED SURVIVABILITY FOR THE 11 C130-Es AND THE 13 C-141Bs, HAS BEEN RESTRUCTURED TO SUPPORT FUNDING ONLY THROUGH THIS YEAR. THESE SAME MODIFICATIONS FOR THE 31 HC-130P/Ns ARE CURRENTLY FULLY FUNDED.

SEAL TACTICAL INSERTION CRAFT

CURRENT SURFACE SEAL DELIVERY SYSTEMS CAN BE USED FOR THE INFILTRATION MISSION ONLY UNDER VERY LOW THREAT CIRCUMSTANCES. CONSEQUENTLY, THERE IS A NEED FOR A SEAL SUPPORT CRAFT WHICH IS FAST, HAS GOOD RANGE AND SEA-KEEPING CHARACTERISTICS, AND INCORPORATES TECHNOLOGY TO PERMIT IT TO ACCOMPLISH THE SEAL INFILTRATION/EXFILTRATION MISSION UNDER LOW, MEDIUM, AND HIGH THREAT CONDITIONS. THE SYSTEM DESIGNED TO PROVIDE THIS CAPABILILTY IS THE SEAL TACTICAL INSERTION CRAFT. IT IS PLANNED THAT IT WILL BECOME THE ONLY SURFACE PLATFORM CAPABLE OF DELIVERING SEALS TO NEARSHORE TARGETS UNDER DEMANDING THREAT CONDITIONS.

ADVANCED SEAL DELIVERY SYSTEM

THE SECOND ESSENTIAL SEAL DELIVERY SYSTEM IS THE ADVANCED SEAL DELIVERY SYSTEM. THIS SYSTEM WILL PROVIDE A SUBSURFACE DELIVERY SYSTEM FOR 8-10 SEALS AND OVERCOME THE NUMEROUS OPERATIONAL LIMITATIONS IMPOSED BY THE CURRENT VEHICLES. THE ADVANCED SYSTEM HAS BEEN IDENTIFIED BY THE NAVY AS A DEVELOPMENTAL ITEM. CONSEQUENTLY, THE FY90-91 REAGAN ADMINISTRATION BUDGET CONTAINS RDT&E FUNDS FOR ITS DEVELOPMENT.

COMMAND AND CONTROL ISSUES

USCINCSOC'S RESPONSIBILITIES UNDER TITLE 10 AND THE RESPONSIBILITIES OF SERVICES AND THEATER UNIFIED COMMANDS AS OUTLINED IN JCS PUBLICATION 2 OVERLAP TO A CONSIDERABLE DEGREE. THIS OVERLAP INCLUDES RESPONSIBILITY FOR TRAINING, DOCTRINE, INTEROPERABILILTY AND READINESS. WE BELIEVE THE MOST EFFECTIVE WAY FOR USCINCSOC TO FULFILL THE RESPONSIBILITIES FOR FORWARD-BASED AND DEPLOYED SPECIAL OPERATIONS FORCES IS TO MAINTAIN COMMAND LESS OPERATIONAL CONTROL OF THE FORCES. USCINCSOC WOULD EXERCISE THAT COMMAND THROUGH SERVICE COMPONENT COMMANDERS. THESE COMMAND LINES EXIST NOW FOR NAVY AND AIR FORCE SPECIAL OPERATIONS UNITS, AND WE ARE WORKING TO ESTABLISH THEM AS THE ACCEPTED COMMAND RELATIONSHIP FOR ARMY UNITS.

USSOCOM'S ROLE IN LOW INTENSITY CONFLICT

USSOCOM FORCES MAY BE APPLIED ACROSS THE ENTIRE SPECTRUM OF CONFLICT, BUT ARE ESPECIALLY ADEPT FOR LOW INTENSITY CONFLICT. OUR PSYCHOLOGICAL AND CIVIL AFFAIRS FORCES ARE PARTICULARLY USEFUL FOR INDIRECT APPLICATION OF MILITARY POWER. PSYCHOLOGICAL OPERATIONS FORCES PROVIDE TRAINING, ADVICE AND OPERATIONAL ASSISTANCE TO HOST NATION MILITARY FORCES AND CIVILIAN AGENCIES ENGAGED IN INFORMATION AND MEDIA PROGRAMS. CIVIL AFFAIRS PROVIDE PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE TO US AND HOST NATION OFFICIALS, AGENCIES AND MILITARY OR UNCONVENTIONAL WARFARE, DIRECT ACTION AND SPECIAL RECONNAISSANCE OPERATIONS IN GENERAL WAR. SPECIAL OPERATIONS FORCES HAVE INHERENT CAPABILITIES THAT ARE DIRECTLY APPLICABLE TO LOW INTENSITY CONFLICT. IMPORTANT ROLES ARE PARTICIPATION IN FOREIGN INTERNAL DEFENSE AND COMBATTING TERRORISM. OUR FORCES MAY ALSO SUPPORT INSURGENCIES, COUNTERINSURGENCIES, ASSIST IN COUNTERING NARCOTICS TRAFFIC, SUPPORT HUMANITARIAN AND SECURITY ASSISTANCE PROGRAMS (IDENTIFIED IN THE PRESIDENT'S NATIONAL SECURITY STRATEGY AS THE PRIMARY MILITARY ROLE IN LIC), AND CONDUCT OR SUPPORT PEACETIME CONTINGENCY OPERATIONS. USSOCOM RESPONSIBILITIES WITH RESPECT TO LOW INTENSITY CONFLICT INCLUDE:

- ENSURING ALL ASSIGNED FORCES ARE PROPERLY ORGANIZED, TRAINED, AND EQUIPPED TO CONTRIBUTE EFFECTIVELY TO THE MILITARY ROLE IN LOW INTENSITY CONFLICT.
- ADVISING THE CJCS AND THEATER CINCS ON SPECIAL OPERATIONS, PSYCHOLOGICAL OPERATIONS, AND CIVIL AFFAIRS ASPECTS AND THE CONTRIBUTIONS THAT USSOCOM FORCES CAN MAKE TO ACHIEVING OUR NATIONAL OBJECTIVES.
- PROVIDING FORCE PACKAGES THAT ARE TRAINED, EQUIPPED AND TAILORED TO SPECIFIC LOW INTENSITY CONFLICT SITUATIONS TO THE THEATER CINCS.
- CONDUCTING SELECTED SPECIAL OPERATIONS AS DIRECTED BY THE NATIONAL COMMAND AUTHORITIES.

AN EFFECTIVE INTERAGENCY EFFORT IS ESSENTIAL. A NATIONAL LOW INTENSITY CONFLICT BOARD SET UP WITHIN THE NATIONAL SECURITY COUNCIL TO ACCOMPLISH THIS HAS ONLY RECENTLY TAKEN HOLD. INITIATIVES CURRENTLY UNDERWAY TO REVAMP IT SHOULD MAKE IT MORE EFFECTIVE. LIKEWISE, ALTHOUGH SOF CAPABILITIES TO ADVISE, TRAIN, AND ASSIST FRIENDLY MILITARY FORCES HAVE GREAT POTENTIAL, POLICY CHANGES IN THE SECURITY ASSISTANCE PROGRAM ARE CRITICALLY REQUIRED. NOT ONLY MUST SECURITY ASSISTANCE BE ADEQUATELY FUNDED, BUT IT SHOULD BE MADE MORE FLEXIBLE IN THE WAY RESOURCES ARE MANAGED AND ADMINISTERED. ONLY IN THIS WAY WILL IT BE AN EFFECTIVE TOOL IN CARRYING OUT OUR LOW INTENSITY CONFLICT STRATEGY.

USSOCOM ROLE IN COUNTERNARCOTICS

USSOCOM'S FORCES ARE SUITED FOR ROLES AND MISSIONS DIRECTED AT THE DRUG SOURCES. POSSIBLE CONTRIBUTIONS MUST BE BASED ON UNIT CAPABILITIES AND COORDINATED WITH THE HOST NATION AND COUNTRY TEAM. USSOCOM CAN PROVIDE SPECIFIC TRAINING, ADVICE, AND ASSISTANCE TO HOST NATION MILITARY OR POLICE FORCES TO ENHANCE THEIR EFFECTIVENESS IN COMBATING NARCOTICS. TRAINING

AND EXPERTISE IN SMALL UNIT TACTICS, INTELLIGENCE, AND PLANNING FOR COUNTERINSURGENCY OPERATIONS ARE VERY SIMILAR AND APPLICABLE TO THOSE NEEDED IN COUNTERNARCOTICS EFFORTS.

DOD IS LEGISLATED THE LEAD IN "DETECTION AND MONITORING OF AERIAL AND MARITIME TRANSIT OF ILLEGAL DRUGS INTO THE UNITED STATES AND IN INTEGRATING COMMAND, CONTROL, COMMUNICATION, AND INTELLIGENCE ASSETS DEDICATED TO DRUG INTERDICTION INTO AN EFFECTIVE COMMUNICATIONS NETWORK." USCINCSOC IS DESIGNATED AS A SUPPORTING COMMANDER IN THESE OPERATIONS.

USSOCOM THROUGH ITS COMPONENTS HAS CONTINUED TO PROVIDE COMMUNICATIONS SUPPORT TO THE NATIONAL DRUG INTERDICTION EFFORT OVER THE PAST YEAR. THIS HAS BEEN IN THE FORM OF 5-6 ULTRA HIGH FREQUENCY (SINGLE-CHANNEL) SATELLITE RADIO ASSEMBLAGES COMPLETE WITH OPERATIONS AND MAINTENANCE PERSONNEL.

SUMMARY

IN SUMMARY, WE HAVE MADE A LOT OF PROGRESS IN THE LAST YEAR. WE HAVE A SUPERB GROUP OF HIGHLY-QUALIFIED AND CAPABLE PERSONNEL, AND THEY ARE RECEIVING BETTER TRAINING WITH AN EMPHASIS ON JOINTNESS AND INTEROPERABILITY. OUR INTERFACES WITH THE REGIONAL CINC's CONTINUE TO IMPROVE. WE'VE MADE PROGRESS, SUCH AS IN JOINT COMMUNICATIONS INTEROPERABILITY, AND WE WILL CONTINUE TO IMPROVE AS TIME PROGRESSES. THE FY 90-91 PRESIDENT'S BUDGET SUPPORTS THE REVITALIZATION OF SOF CAPABILILTIES. YOUR SUPPORT IS CRUCIAL TO OUR CONTINUED PROGRESS.

General LINDSAY. What I would like to do now is take this book—and I have a number of hardware items there.

Senator STEVENS. Jim, I have to leave. I think we ought to go down and see him someday. How long does it take to come down and see you—about an hour?

General LINDSAY. It takes about 2 hours, sir, but we would probably suggest that instead of coming to the headquarters, which has nothing but a staff, that you go to [deleted] and see the SEALS, Special Forces, and Air Commandos.

Senator STEVENS. I think we ought to spend a day with you. We can do that on a Saturday and come back.

General LINDSAY. Thank you very much. I will quickly walk through the hardware that is contained here.

The first item you see there is a thing called JASORS—Joint Advanced Special Operations Radio System. [Deleted.] We have got $30 million in 1990-91. And the whole program looks like around $190 million. It is on track.

We are going to learn as we go along with this one, but I think we are off to a good start on it.

CV-22 OSPREY

The second one is the one that Senator Stevens just mentioned. That is the CV-22 Osprey. This is not an inexpensive airplane, and I know it is going to be a target in the upcoming drill that we go through to try to see how we can wring some money out of the defense budget.

I would warn against being tempted to rationalize and say, "Well, if we had a few more long-range helicopters and a few more penetrating tankers we could accomplish the same thing for less money," because I have done that analysis; candidly, it is misleading. I would like to explain why.

The Osprey, with the tilt-rotor technology, gives you a unique combination of distance, speed—and by speed here I mean no matter what you do with rotary wing you are constrained to about 120 knots over the long haul. With the Osprey you get 250 knots. And then, finally, you have flexibility in terms of the ability to infiltrate and, more importantly, exfiltrate, to pick people up and bring them out. [Deleted.] With this aircraft we have an agility we do not now have, and I think or others have asked if you had to go back and redo Grenada could we do it better. If we had to redo the hostage rescue mission in Iran, could we do it better?

We could do it better today. We could do it vastly better with this aircraft. Let me give you an example.

If you remember the hostage rescue mission in Iran, it was a two-night operation. Because of the distance involved, we had to go in one night, seize an intermediate staging base, lay low all day and then go into the city of Tehran the next night. [Deleted.]

With the Osprey, with one refueling on the way in, one refueling on the way out, we can go in and out the same night. [Deleted] the Osprey permits us to break the tie, the umbilical cord, that frequently ties us to air fields. And the people who perpetrate these things, being aware of the fact that we will have to use those fixed-wing landing strips, target them. This gives us a great deal of flexibility.

Senator INOUYE. What is the flight radius?

General LINDSAY. Sir, we would like to see that up to 750. Right now, in order to make it shipboard compatible, as you know, the Marine-Navy is the biggest part of the buy here. I am seeking 55 of them, and the Marines are seeking over 500.

To make it shipboard compatible we have made some compromises, given it a radius of 500 miles. However, it is inflight refuelable, so we can extend that radius.

The thing, as I say, is the speed and the ability to exfiltrate forces. Infiltrate is important, but exfiltrating is even more important.

Senator INOUYE. How many men will it carry?

General LINDSAY. Twenty-four is what the Marines are looking at now. My concern is for 12 people, because that is the size of the team we normally put in.

Now the aircraft that I will be getting will have some modifications on it in terms of electronic warfare and in terms of terrain-following/terrain-avoidance radars.

Senator INOUYE. According to this, your first flight is March 1989. Does that mean it has flown?

General LINDSAY. Well, it flew, and I have seen the film of the flight. It flew basically with the rotary wings. It flew like a helicopter. The next step is to tilt it forward in flight and move it forward.

Senator INOUYE. We have not done that yet?

General LINDSAY. No, sir.

Senator INOUYE. When is that coming around?

General LINDSAY. Sir, I am not certain. I can find out and get an answer for you.

[The information follows:]

I understand that the program schedule called for V-22 flight test in the fixed wing mode in mid-July or August 1989. I do not know how this event will be affected by the recent OSD decision to cancel the program.

MC-130

General LINDSAY. The next one on here is the MC-130 for Combat Talon. As you know, right now we have 14 Combat Talon 1's. That is our penetrating fixed-wing aircraft. We need 24 additional aircraft, for a grand total of 38. [Deleted.] Given the increasing sophistication of Third World countries, this will also have application in the rest of the world as well.

If there are no questions, sir, I will go on to the next one.

Senator INOUYE. Is the CV-22 going to replace this one?

General LINDSAY. No, sir; this is a different capability altogether.

Senator INOUYE. Different mission?

General LINDSAY. Different mission, yes, sir—complementary but different.

AC-130U

The next one is the AC-130U gunship. At the moment we have 20 gunships in the inventory; 10 of them are in the Reserve components. They are over 30 years old and we have 10 in the Active component which are approximately 20 years old. The AC-130U, of which we are seeking 12, will be in the Active component. The Active component AC-130H we now have will go to the Reserves.

The criticality of this particular capability lies in the ability to provide surgical fire support with pinpoint accuracy.

If you visited Grenada and looked at the hotel on Grand Anse Beach you can see examples of that where you can literally take out specific rooms.

Senator INOUYE. Can you not do the same with a helicopter gunship?

General LINDSAY. You do not have the accuracy with a helicopter gunship, depending on your systems. Now if you are looking at the TOW missile or you are looking at HELLFIRE, yes, you do, but what you get with this is the capability to loiter at a very high altitude—11,000 or 12,000 feet. [Deleted] or in a sophisticated environment, but in the parts of the world where we are looking at primarily employing this, it gives you a capability to have it up there loitering.

The people on the ground, with a designator of any kind or just by giving a location, he has got an assemblage in there that permits him to see in the dark. He can deliver 105mm gunfire more accurately than a 105 howitzer on the ground can.

So, given the fact that that platform is in the air and we can move it, the other thing we are going to do is pressurize the cabins on this, which will make it better for deployment. Right now it has to deploy at about 10,000 feet, so it slows it down.

Senator INOUYE. Has this thing flown?

General LINDSAY. Sir, it is due to fly—the first aircraft will not come out until 1990. Now the current gunship has obviously been flying for years. The U model is not going to be a significant departure in terms of the basic airplane, so flying is not a problem.

ADVANCED SEAL DELIVERY SYSTEM

The next one, sir, unless you have a question on that, is the advanced SEAL delivery system. You can see the current SDV or SEAL delivery vehicle, on the next page there and it is a very primitive operation. As you can see, it is just a submersible and you are wet the whole time you are in it. It is sort of like the parachute. It is something we adopted and we are still using it, but we desperately need something that is close to state-of-the-art technology, something that will permit the SEALS to get where they are going and be in shape to accomplish the mission.

I have made two dives in that in the Pacific, and fortunately I am getting older and I have a lot of body fat, and even with a thick wet suit on I nearly froze to death. The SEALS in there who had no body fat were a hell of a lot colder than I was.

Senator **INOUYE**. This is subsurface?

General **LINDSAY**. Yes, sir; it is subsurface.

Senator **INOUYE**. Like a submarine?

General **LINDSAY**. [Deleted.]

Unfortunately, it only goes about [deleted]. It is slow. As I say, you are wet the whole time you are in it. What we are looking for right now—and we are just beginning this process—we need something that will hopefully be a dry operation where we can protect the SEALS who have to accomplish their mission, and this thing delivers them wherever they are going and can pick them up and return them.

We have defined the requirement, but we do not know what it is going to look like yet. But that is something we really need.

SEALS

Senator **INOUYE**. A question not directly involved here but on the SEALS. We received reports that the Navy was quite reluctant to have the SEALS placed under centralized command. What is the status now?

General **LINDSAY**. What happened, sir, originally the only thing I got from the Navy was the basic underwater demolition school in Coronado, CA, and they kept the Navy special warfare group on the east coast and the special warfare group—one on the west coast and two on the east coast and they were kept out of the command.

I looked at this over a period of time and decided that was wrong and went to then-Secretary Weinberger and asked him to assign those forces to my command. There was considerable debate that took place over that, and finally, in the late fall of 1987 the decision was made they would be assigned to the command and on March 1, 1988, they were assigned to my command. That is working very well.

SEA FOX

The next vehicle in there is also a SEAL craft. This is a picture of the current insertion craft we have, which is called the Sea Fox. Again we are in the process of developing the design and prototype of what we are going to call the SEAL tactical insertion craft. We are looking for something that has greater range than this does and also will permit us to deploy the SEAL delivery vehicle that is on the previous page.

Senator **Inouye**. It looks like one of those we had in Vietnam.

General **Lindsay**. It is one of those we had in Vietnam. It has been around a while.

Senator **Inouye**. What is the difference?

General **Lindsay**. This is the old one. I want to replace this. We are still using this.

Senator **Inouye**. Oh, I see.

General **Lindsay**. We need a replacement for that.

MH-47E

The next one is the MH-47E helicopter. This is the medium- to long-range helicopter. The Army has 51 of them in their program now. As you can see, they will be fielded in 1991-93. In the interest of time, unless you want to talk on that, the final craft there is the MH-60K, a short-range helicopter, 23 of them, the first one coming in in 1991 and fielding through 1993.

Those are eight of a number of hardware programs we are looking at.

Senator **Inouye**. Would the CV-22A have any effect upon this MH-47E?

General **Lindsay**. Sir, that is a good question. I will ask you to look on the last page. You will see planned SOF vertical lift force structure for medium- to long-range missions.

If you look at the CV-22A, right now we are seeing IOC in 1995 and we are fielding it between 1995 and 1999. The Joint Staff did a very detailed study of our infiltration—rotary wing infiltration-exfiltration requirements and they established the baseline to support not all the CINC's, but three of the five unified commands. We need 106 platforms and that is what that line at the top reflects; that is, the 106.

What we have right now is well funded and we are product-improving 41 MH-53J PAVE LOW helicopters and they are reflected in the lower part of that line. You will notice then we are talking 51 MH-47E's coming on board, and so ultimately that combination will give us a total of 96 platforms, but it will not give us the agility you get with the CV-22A.

Moreover we have a 3-year gap between the fielding of the CV-22A and when the MH-47's come on line. We need to cover that 3-year gap. At the same time the Air Force in recent years has not fully funded their rescue forces. And as we bring the CV-22A on board I would submit the wise thing to do would be to roll the MH-53J's that we have been using in SOCOM, over into the Air Force rescue service.

BUDGET

Senator **Inouye**. I notice in your presentation none of these pictures or charts have a price tag.

General **Lindsay**. We have the price tags on each of them, sir.

Senator **Inouye**. The question is, does the Bush budget cover all of these?

General **Lindsay**. Sir, first of all, as you know, I am the cheapest command. I am four-fifths of 1 percent of the DOD budget, and right now in the 1990-91 budget and in the DOD 1990-94 program all of these programs are funded.

The CV-22A as you see, stretches on out into the 1992-97 obviously, but the moment we just finished a 3-day session with the DRB, with the CINC's participating, last week, and at the point in time when I left, although no decisions had been made, it looked like we had everything I talked to today.

Senator **Inouye**. You just touched upon the directive of the SecDef to give you authority and control over funding requests and budget execution from 1992 on, I think. Did you approve of this?

General **Lindsay**. That was my proposal, sir.

Senator **Inouye**. Now I gather that other CINC's are looking at this.

General **Lindsay**. Yes, sir; I am sure they are.

Senator **Inouye**. I know CINCPAC is looking at it. Do you recommend that they have it too?

General **Lindsay**. Sir, I do not know. I have not had any experience as a regional CINC. I did command the Readiness Command and at the time, very candidly, I leaned toward giving the unified commands greater responsibility and authority in the resource arena.

I do not think, though, I am qualified to speak for the regional or the warfighting CINC's as to how they feel about that. I would suggest perhaps 2 or 3 years from now we take a look at how the POM/budget process is working for USSOCOM and then decide what is the best way to go.

But given the unique mission of this command I think it was very wise that we did that.

Senator **Inouye**. I think the others are watching you as a model.

In the area of money there are examples of financial impropriety in the past. Have you taken any measures to prevent their reoccurrence?

General **Lindsay**. Yes, sir, we have. In fact, I think when you and I were in your office one day we discussed that. [Deleted.]

We have established since then within the services—in the Army, Navy, and Air Force—oversight capabilities. The Army has a large element at Fort Bragg that provides oversight on all this. I am in the process right now of establishing an oversight capability in my command.

Senator **Inouye**. Procurement obviously is going to be a big item and a big area of debate. One cannot help but reach the conclusion that most of the weapons systems we have have been developed to counter the Soviet threat. Now in your business that is not necessarily so.

DESIGN OF WEAPONS

Are you given the opportunity to get involved in the design of this type of specialized weapons system for the use of your command?

General **Lindsay**. We are; and we will be. I talked earlier about the joint mission analysis that we are conducting with each of the unified commands. The reason I did that was to get in front of the power curve in terms of procurement to get into it early, right now. First, our doctrine, our service doctrine, our joint doctrine, drives our research and development effort and, therefore, it drives our procurement. Our doctrine up to now has focused on the big war, large conventional armies and the European land mass supported by large forces fighting one another and on the maritime strategy.

And so if you looked at our battlefield development plan and our integrated priority list, they all focused on the higher end of the spectrum and what we have got to do is look at the lower end of the spectrum, which is less dangerous in terms of an overall threat to our national security but much more likely.

So this joint mission analysis will tell us the things we need. For instance, working with General Woerner you go to El Salvador. [Deleted.]

Our joint mission analysis will permit us then not to build our own materiel command or systems command to develop these things but to focus and drive the service capabilities. In other words, I do not think I ought to go out and duplicate all the things the services are doing, but rather give some focus on what is needed at the lower end of the conflict spectrum by the services.

Senator Inouye. So you have a unit or component, part of your command, that is involved directly and specifically in design?

General Lindsay. At this point we have put together a requirement, resources, and logistics operation and put them together in one shop. I had the Logistics Management Institute here in Washington do a study for me to report back to me as to how I should organize to accomplish this mission we had been given by the legislation.

They reported back in late February and, candidly, it was a good study but it did not give me the depth and detail that I needed, so I formed my own team, and they briefed me 2 days ago. We have a plan now. It is going to take us about 2 years to build this capability. I am talking about acquisition and development, if you will.

And to implement that plan I am probably going to need about 129 more people. I am going to need an acquisition executive. I am going to need a science advisor. But basically these are not people who are going to go out and do things. These are people who are going to drive the efforts of the services.

This 129 sounds like a lot, but originally we had estimated we would need 600 people to accomplish this mission. As you know, it is a tough time to be getting new people for anything, and I compromised early on in order to get people to fill the manning documents I had and said I would cap that at 472 until such time as I could see where we were going in resource management and acquisition.

I now know where we are going and I now need those people.

TRAINING, READINESS, AND EQUIPMENT

Senator Inouye. The Soviets, the British, the French, and, I think, the Germans have similar types of units, special operations types. How would you compare your Special Operations Forces with those as far as training, readiness and equipment are concerned?

General **Lindsay**. I cannot make a good comparison to the Soviet force because I have not seen them. I have seen all the others. And the force you have, sir, the force we have in this Nation is superior to anything that I have seen. I do not say that to brag or for ego. I am just telling you that from what I have seen, there is no question that we have the best force.

Senator **Inouye**. Do they have equipment that you think we could use?

General **Lindsay**. Sir, with the 22d SAS in England, with GSG-9 in Germany, and with the Israeli force we have a constant dialog, constant interchange. [Deleted.] If we see anything that they are using that we need, we have always picked up on it. We have, you might say, [deleted].

BROAD OVERVIEW

Senator **Inouye**. You opened your remarks this morning and touched upon the experience of the last 12 months. I believe you said you had 370 teams. Can you just give us a broad overview? Where were they? Where were they stationed.

General **Lindsay**. Right now, as we talk, [deleted.] I have two Special Force A teams. [Deleted.]

In South America, as Senator Specter mentioned earlier, the teams [deleted]. I have a Special Forces A team [deleted]. I visited them there a month ago, [deleted].

Senator **Inouye**. [Deleted] is for training others.

General **Lindsay**. [Deleted] we are training others. We have——

Senator **Inouye**. What about operational type missions?

General **Lindsay**. Basically what we do is train other people. Now as far as operational missions our [deleted]. We have not conducted any missions per se because the National Command Authorities have not directed us to.

The bulk of what we do is training, nation building.

Senator **Inouye**. [Deleted.]

General **Lindsay**. [Deleted.]

Senator **Inouye**. I am just asking if you are called in.

General **Lindsay**. My first meeting with Secretary Cheney was on that.

Senator **Inouye**. Well, I am glad to know you are involved.

I have many other questions I would like to submit to you, sir, but we have other matters on the floor also. I would like to thank you very much. But before I adjourn at this time I would like to convey to you the apologies of members who usually sit on this side, but they are all chairmen of subcommittees and they are all having hearings. For example, State, Justice, Commerce is having one right now. Labor HHS is also having one. So their absence should not be interpreted to mean lack of interest. They are interested. I can assure you that they will be reading this report.

I was just reminded here that I should remind one and all that this has been a secret meeting and that everything that you have taken down, jotted, will have to be labeled "secret" and handled accordingly.

I want to thank you, sir, for appearing this morning and for your candid remarks. It will be helpful to us in determining our recommendations. I was tempted to ask you a question that I have asked others in anticipation that we may have to cut even the Bush budget because we are getting whispers from the White House. The revenue picture is not as rosy as it was first thought to be.

So not at this time, but if you wish. it would be extremely helpful to us when the time comes if you will advise us on what the priorities should look like.

PRIORITIES

General **Lindsay**. I have laid out priorities, as you might imagine. One of the problems I am faced with right now was the recognition of the legislative branch that said, "Hey, you know, we are shortchanging the special operations community." So, unfortunately, back in the early 1980's, when we had the buildup in defense, the special ops community was not sharing equally in that buildup. Now, as we look at a drawdown or a constraining environment we are just now starting to get these programs going and when you look at the fact that I am less than 1 percent of the overall DOD budget any cuts make it very tough.

I do not mean to be uncompromising. Clearly I have to establish priorities.

Senator **Inouye**. I agree with you, because for the strategic and conventional units primarily it is to deter any sort of adventurism that the Soviets may have in mind, but yours is the action group day by day, and yours is where the acti.on is right now. If I had my way, we would not have any cuts around here, but I cannot speak for all.

So, if you would, I would like to give you the opportunity to further amplify on your presentation with respect to your case, and it would be extremely helpful.

General **Lindsay**. One thing I meant to mention earlier, as you know, Congressman Dan Daniels was very instrumental and one of the key players in the legislation to establish the command. We are going to dedicate our headquarters to him on June 16, and you will be receiving an invitation to the ceremony.

Senator **Inouye**. That is good. Speaking of that—I am glad you brought that up—could you have someone on your staff work with my staff to come up with a proposed visit that we can do, preferably one that will leave early in the morning and get back in the evening?

General **Lindsay**. Yes, sir; I will do that.

Senator **Inouye**. I will try to get as many of the Members ready for this trip. I think we can rouse up enough interest for that.

General **Lindsay**. All right, sir.

SUBMITTED QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the services for response for the record:]

QUESTIONS SUBMITTED BY SENATOR INOUYE FOR GENERAL WOERNER

C-27

QUESTION: General Woerner, the budget includes funding to procure C-27 aircraft to satisfy Latin American regional requirements. You have also stated that you have no permanently assigned air components. Will the C-27s be assigned to Guard and Reserve units permanently located in CONUS, or are you planning to establish a U.S. air component in Latin America?

ANSWER: The 12th Air Force Headquarters at Bergstrom Air Force Base, Texas, is the assigned air component for USSOUTHCOM. The C-27s would be located at Howard Air Force Base, Panama, where we currently have an Active Duty Air Division stationed. Military Airlift Command will operate the airlifter as they do other world-wide airlift with active duty crews.

QUESTION: Is there an impact on manpower and O&M requirements in SOUTHCOM if the Congress approves the acquisition of the C-27 aircraft?

ANSWER: Additional manpower is required to support the C-27 airlift aircraft program. The following authorizations are required as requested in the FY 90-91 President's Budget:

	FY 90	FY 91
Officer	0	27
Enlisted	1	28
Civilian	0	3

O&M funds are primarily required to support an interim contract airlift program which began in FY 89 and will conclude as the C-27 reaches Initial Operational Capability in FY 91. In addition, as the C-27s begin operating in FY 91, O&M funds are required for Contractor Logistics Support (CLS). The following O&M funding was requested in the FY 90-91 President's Budget:

($TYM)	FY 90	FY 91
Interim Contract Airlift	11.746	10.862
CLS	0	9.200
AVPOL	0	.615
TDY Per Diem	.215	.221

QUESTIONS SUBMITTED BY SENATOR BYRD FOR GENERAL WOERNER

PANAMA

QUESTION: Recent events in Panama, together with the civil wars in Nicaragua and El Salvador, have cast a spotlight on Southern Command in recent years that was not envisioned when the command was organized in 1963. The mission of the command is further complicated by the current debate about how to stem the flow of drugs from the region and to counter the threat posed by a convergence of drug and terrorist interests in that area. How accurate are reports of Panamanian harassment and intimidation of Southern Command personnel? Please comment on press reports that the Department of Defense has downplayed these events to avoid further difficulties with the Panamanian government.

ANSWER: In both our official reporting and in our public releases, the Southern Command has consistently denounced harassment incidents through the Treaty-mandated mechanism of the Joint Committee to the Panamanian Defense Force (PDF) and made exhaustive information on these incidents available to local and international press.

While media accounts of harassment by the Panama Defense Forces (PDF) have been by-and-large accurate (information being culled from Southern Command releases), inaccurate reporting has caused some misrepresentation in the press.

For example, a recent Army Times article (published 20 March 1989) erroneously reported 1000 incidents of 'harassment' had taken place since 6 February 1988. We believe that this information was misread from Southern Command records which reported approximately 1050 'treaty violations' arising from over 650 incidents of 'harassment.' Missed by the Army Times was the important difference between 'treaty violation' and 'harassment.' Regrettably, this misinformation was then repeated by other media.

Because security of U.S. personnel is my greatest concern, the Southern Command has actively publicized all incidents of harassment to both draw attention to them and increase awareness of the incidents. Because Noriega's campaign continues, the U.S. Southern Command remains ready to respond and take necessary action to protect U.S. lives and interests in Panama.

CONTRAS

QUESTION: Please discuss the plans Southern Command has for dealing with the Contra situation now that U.S. aid shows signs of ending. Do you believe that it will eventually become necessary to evacuate the Contras from Honduras? Could Southern Command manage such an evacuation within its own resources?

ANSWER: The first question you ask involves a policy decision for the US government which goes beyond USSOUTHCOM's military responsibilities. The Bipartisan Accord on US Policy for Nicaragua provides for humanitarian aid to the Contras through the end of February 1990 while the government of Nicaragua has an opportunity to carry out its obligations under the Tesoro Beach Accord. If it does so, and implements fully the democratization provisions of the Esquipulas II Agreement, internal conditions could well exist in Nicaragua favorable to the voluntary repatriation of the Contras. In any event, the US State Department has noted that the future of the Contras needs to be a matter of negotiation between the government of Nicaragua and the Contra leadership. To your second question, relocation of the Contras would require a substantial interagency effort which would exceed the resources and authority of USSOUTHCOM.

COUNTERDRUG ROLE

QUESTION: As you know, there is a continuing debate about the efficacy of utilizing U.S. military personnel in the war against drugs, including the degree to which such utilization would detract from the military mission. Please discuss the position of Southern Command concerning the possible use of Command assets in this role. If it were decided to use SOUTHCOM personnel and equipment in the war on drugs, how would it affect the overall mission of command?

ANSWER: The answer to this question depends on the degree of utilization of USSOUTHCOM assets in the war against drugs in Latin America. An operations-oriented role that would commit USSOUTHCOM forces to directly participate in the counterdrug mission would be resource intensive and would likely detract significantly from our other missions (such as defending the Panama Canal and supporting regional democracies by building military-to-military relations). Maintaining contacts through exercises and exchanges are integral to increasing the capabilities and professionalism of Latin American militaries. However, an operational counterdrug role for the U.S. military will not likely be accepted by most nations in the USSOUTHCOM area of responsibility for reasons of national sovereignty. Instead, a USSOUTHCOM mission that provides host nation counterdrug forces the wherewithal (training, advice, materiel, technological support) is much more palatable to these nations and would not necessarily detract from our other missions. In fact, the employment of small special forces teams enhances their primary mission of training indigenous personnel.

Concerning equipment, a reprioritization of national and theater level

NICARAGUA

QUESTION: Nicaragua has promised its neighbors to stop supplying insurgent forces in these countries. It has also promised to conduct free elections and to restore democratic

freedoms inside Nicaragua. To what extent and for what reasons do you consider Nicaragua a threat to the United States? If the Soviet Union were to stop supplying Nicaragua with military aid, which by some accounts ranges over one-half billion dollars a year, to what degree would this diminish the threat to the United States?

ANSWER: (Deleted.)

QUESTIONS SUBMITTED BY SENATOR D'AMATO FOR GENERAL WOERNER

C-27

QUESTION: General Woerner, in your statement you express a need for short take-off and landing C-27 aircraft in order to **access remote airfields in Latin America. Will you tell us how many C-27s you need and if they are currently in the DOD budget? Also, do you have an established mission requirement for the STOL aircraft and, if so, could you elaborate on the drug interdiction aspect.**

ANSWER: USSOUTHCOM has a need for ten short take off and landing (STOL) aircraft to support mission requirements in theater. Funds are included in the fiscal year 1990 and 1991 budget for the aircraft.

To your second question, USSOUTHCOM stated mission requirements includes airland/airdrop resupply, insertion/removal of troops, contingency planning requirements, civic action/humanitarian assistance, medical evacuation, noncombatant evacuation, disaster relief, tactical intelligence, PSYOP, exercise and deployment for training support, counterdrug operations, special operations forces support and assistance to friendly governments in the region. With respect to the drug interdiction/counterdrug mission, the ability to operate to and from short, poor airstrips is essential in the execution of this mission. Range and payload capabilities of rotary aircraft are major limiting factors. C-130 aircraft cannot operate into or out of short unimproved airstrips (under 3000 feet), and have an excessive footprint. C-27 will support the counterdrug mission into small, austere airfields unsuitable for C-130s and too remote for helicopter operations.

CBRN

QUESTION: General Woerner, would you give us more specifics on the Caribbean Basin Radar Network mentioned in your statement? What is the current funding situation and what host country agreements are necessary to utilize this system against drug runners.

ANSWER: The funded program includes 13 radars and a regional operations center at Howard AFB. Data will be provided to the Navy operations center at Key West, FL.

Total program funding is approximately $250 million; the President's Budget requests $58.6M in FY 90 and $40.0M in FY 91.

There are five existing radars in the system: two in Puerto Rico, one in Guantanamo Bay, Cuba, one in Key West, FL., and one Honduran owned radar at Cerro La Mole in Honduras.

The CBRN Progam procures eight new Westinghouse TPS-70 long range (200+NM) radars. The status of installations and host nation negotiation for these new radars is as follows:

-- Panama: Installation is complete; radar was operational in April 88.

-- Dominican Republic: A memorandum of understanding (MOU) was signed in Aug 88, construction begins May 89.

-- Colombia: MOU was signed 22 Feb 89; construction will begin in Aug or Sep 89. Colombia has agreed to San Andres Island and Rioacha on the North Coast.

-- Honduras: MOU was signed 7 Apr 89. Construction should begin Jan or Feb 90.

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-- Costa Rica: A site has been selected and the government is awaiting approval of the authorizing legislation by Costa Rican Congress.

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(Deleted.)

In addition to enhancing regional security CBRN will make a major contribution to DOD's Counterdrug Monitoring and Detection Mission.

PANAMA

QUESTION: I am greatly disturbed by the reports of harassment of American Personnel in Panama. Is it true that there are over one thousand incidents since last year which violated the 1977 Panama Canal Treaties?

ANSWER: Since Feb 88, USSOUTHCOM's Center for Treaty Affairs has maintained reported incidents statistics involving seven selective categories of Treaty violations. Although not inclusive of all Treaty violations, and limited to the US Forces community, these statistics document more than 650 incidents of harassment involving approximately 1050 Treaty violations during the continuing difficulties between The Government of Panama and the United States. These incidents range from technical violations causing inconvenience to cases of operational harassment and personnel endangerment.

QUESTION: Is your command able to adequately protect the 40,000 Americans in Panama from the bullying tactics of Noriega?

ANSWER: We can adequately protect the lives of US citizens in Panama from any reasonably expected threat.

QUESTION: General Woerner would you tell us what level of confidence you have that, in the event of a major conflict between the U.S. and the Soviets, General Noriega would allow the U.S. Navy free passage of the Canal?

ANSWER: (Deleted.)

QUESTION: General, in a recent speech you lamented what you called the absence of a U.S. policy regarding the situation in Panama. I understand the U.S. policy to be that General Noriega must go, before any other bilateral issues can be addressed. Isn't that our policy?

ANSWER: Yes, U.S. policy is that General Noriega must relinquish control of the Panamanian government and command of the Panamanian Defense Forces as a precondition to normalizing bilateral relations The current policy is perfectly clear.

QUESTION: If it is our policy that Noriega must go, I'd like to know what you are doing as the commanding officer of SOUTHCOM to advance that policy? I know that the U.S. Army and Panamanian Defense Forces share the Joint Command. Do you feel that you can reasonably be expected to pursue the 'Noriega must go' policy when our own troops literally stand shoulder to shoulder with his in the Joint Command?

ANSWER: U.S. and Panama do not share a Joint Command. U.S. Southern Command does not incorporate any Panamanian forces into it's force structure. U.S. and Panamanian forces do meet formally face to face at lower levels to conduct business as required by the 1977 Carter-Torrijos Treaties. Examples of this are the Joint Committee and the Combined Board, which are designed to facilitate the resolution of problems arising from treaty interpretation. Additionally, some combined military police patrols are conducted in areas designated by the Treaties as 'Areas of Coordination'. These requirements for working with the Panamanian Forces notwithstanding, USSOUTHCOM is completely capable of performing its mandated missions and fulfilling the policy of the United States government.

Question: General Noriega has been indicted in the U.S. on drug charges. I understand you may have some doubts as to the connection between Noriega and drugs. If you do, what are they and upon what grounds are your doubts based?

ANSWER: (Deleted.)

QUESTION: General Woerner, last year during the deliberations of U.S. policy concerning Panama, it was fairly clear to many observers that the Pentagon didn't seem to share the same sense of urgency regarding General Noriega's departure from power. One very high military official told me that 'If Noriega goes, how do we know he won't be replaced by someone worse.' Let me ask you, is the U.S. Military reticence against seeing Noriega go the product of concern regarding his successor or is it just professional courtesy?

ANSWER: The future leadership of the Panamanian Defense Force is an issue to be decided by the Government of Panama. I have and continue to fully support the policy of the U.S. government, which states that Noriega must step down as a prerequisite to normalization of bilateral diplomatic relations.

QUESTION: As a follow up, you know that former Assistant Secretary of State Elliot Abrams has publicly and vociferously blamed Admiral Crowe and the Joint Chiefs of Staff for downplaying General Noriega's threat to the U.S. and preventing an effective policy against him. Why is it that the U.S. Department of Defense has come to be portrayed as the defender of General Noriega?

ANSWER: During the past year a primary tactic of the Noriega-regime has been to propagandize U.S. government actions in an attempt to create dissention among various United States Government branches. In Panama itself we have witnessed various regime attempts to disrupt my relationship with Ambassador Davis and Mr. D. P. McAuliffe, Director of the Panama Canal Commission, always with the goal to create confusion and discontent. Recognizing this, the Ambassador, Mr. McAuliffe and I have maintained a continuous dialogue to insure unity of purpose is maintained. In my command, I can state categorically that from the beginning of the current crises, no one has ever attempted to act as an apologist for General Noriega or to downplay the threat which he poses to the U.S. Government; nor have I ever seen any indication of such actions by the chairman of the Joint Chiefs of Staff or anyone on the Joint Staff.

QUESTIONS SUBMITTED BY SENATOR INOUYE FOR GENERAL LINDSAY

FY89 Congressional Plus Up $108M for SOF Comm.

Question: What is the procurement schedule to equip Special Operations Forces units with lightweight deployable communications (LDC) equipment sufficient to permit its use in three theaters of operation and what contacts have been let in the current fiscal years, over half of which is gone, to augment the initial LDC purchase as well as additional miscellaneous equipment for which $108 million was appropriated?

Answer: The shopping list was developed in September 1988 and was based on the CINC's November 1987 IPL. On 13 October 1988 the CINC formally concurred with the items to be procured. In November 1988, at the annual C3 conference, a sidebar conference was held which reaffirmed the program. An IPR was held on 26 January 1989 at MacDill AFB during which the executability and "smartness" of the program was the focus. The list that was issued at that IPR is still valid and is the only approved plan. It must be stressed that every item on that list is of the highest priority to the CINC. The Senate and the House were provided a copy of the Army program by ASDSOLIC on 2 February 1989.

Program management is as follows:

a. An IPR conducted at HQDA on 16 Mar 89.

b. An IPR conducted at CECOM on 27 Mar 89 during which all requirements were scrubbed and evaluated for executability.

c. The SOF mid-year review held at HQDA on 25 April 1989 reviewed the status of all SOF procurement programs including the SOF fund items.

d. A 2 May briefing for MG Porter, J8, at MacDill at which obligation status will be reviewed and decisions made about "problem" programs.

e. Monthly IPRs alternating between CECOM and HQDA until the end of the FY.

In addition to the oversight provided by the IPRs and meetings the CINC has established a Program Managers Office and all commands/agencies have appointed officers to monitor the status of the individual projects. These various offices are in constant communication with each other to insure that all concerned are aware of problems, current obligation status, and expenditure rates.

Two of the $108.0M projects are being procured on a sole source basis. All other procurement is either being done on a competitive bid basis or by buying into existing contracts.

1st SOCOM will determine fielding of procured equipment. Procurement was not based on a three theater requirement but on war plan and 1st SOCOM priorities. Basis of issue will continue to be evaluated as responses to Requests for Proposals are received.

CONGRESSIONAL PLUS-UP ($89.9M)

SYSTEM	AMOUNT ($M)	MIPR	CONTRACT STATUS	UNIT SUPPORTED
SOHFRAD(HF RADIO)	7.0		15 SEP 89 (COMP)	TEAM
TTBS	9.8	NAVY (WORKING)	EXISTING CONTRACT	GP/BN/TEAM
LDC	23.5			GP/BN
	(6.2)	NESEA 16 MAR 89	EXISTING CONTRACT	
	(9.8)		LDC 1&2 29 SEP 89 (COMP)	
	(4.0)	DEPT OF ENERGY (WORKING)	DATE TBD (COMP)	
	(3.5)	NAVY (WORKING)	EXISTING CONTRACT	
SORFMS	4.1		29 SEP 89 (COMP)	GP/BN/TEAM
SOICS	4.15		22 SEP 89 (COMP)	GP/BN/TEAM
SOCA	5.0		29 SEP 89 (SS)	GP/BN
TACSATCOM	3.084	SATCOMA 23 APR 89	EXISTING CONTRACT	BN/CINC
AN/TSC-122	14.4		3 APR 89 (COMP)	
SOPS	2.5	LABCOM 14 APR 89		TEAM
SOFNET	9.750			1ST SOCOM
	(1.1)	C3 SYSTEMS (WORKING)	EXISTING CONTRCT	
	(2.0)	HDL 25 APR 89	EXISTING CONTRACT	
	(.6)	7TH SIG 25 APR 89	EXISTING CONTRACT	
	(.371)	AIR FORCE (WORKING)	EXISTING CONTRACT	
	(2.0)	DOE (WORKING)	EXISTING CONTRACT	
	(2.4)	ISC (WORKING)	TBD	
	(1.275)	DIA (WORKING)	EXISTING CONTRACT	
SECURE INTER RADIO	1.7	NSA 16 MAR 89	EXISTING CONTRACT	TEAM
SPECIAL ACCESS PROG	5.0	NAVEOD 15 MAR 89	(SS) OSD CONTROLLED	TEAM
	89.984			
PPN 19	3.0			
CLASSIFIED PROGRAM	14.964			
	108.00			

NOTE: COMP = COMPETITIVE
SS = SOLE SOURCE

Procurement

Question: The Special Operations Command (SOCOM) was given by the Congress authority to expedite procurement. Is the authority being exercised or is SOCOM still mired in the Department of Defense procurement bureaucracy?

Answer: The Command was given the statutory mission to develop and acquire SO-peculiar equipment and to acquire SO-peculiar material, supplies, and services. To accomplish this mission, the National Defense Authorization Act for Fiscal Years 1988 and 1989, Section 1211, gave USCINCSOC Head of Agency for Acquisition authority under Chapter 137 of Title 10, United States Code. On 4 May 1988, the Secretary of Defense signed the DoD implementing directive. With this authority, and the 24 January 1989 decision by the Acting Secretary of Defense, the Command will now be able to prioritize requirements, determine acquisition procedures, and ultimately fund SOF programs. We will manage the acquisition of SO-peculiar materiel through agreements with other agency heads to delegate acquisition functions and responsibilities and by establishing/designating a contracting activity for selected SO-peculiar procurement. USSOCOM, as a part of DoD, is subject to the Federal Acquisition Regulation (FAR), the DoD FAR Supplement and the various DoD Directives/Instructions which effect acquisition. Full exercise of Head of Agency authority will occur once adequate resources are in place within USSOCOM.

Special Operations Interoperability

Question: General Lindsay, in your statement when you describe your accomplishments in interoperability, it is clear that you are discussing the interoperability of special operations forces with each other. To what extent must special operations forces interoperate with regular forces?

Answer: Special operations forces interoperate with conventional forces at all levels of Joint command. This is a continuous process that is planned for wartime operations and practiced in peacetime during military exercises. For example, the Joint Special Operations Task Force (JSOTF) interacts with the conventional Joint Task Force (JTF) for operational directives and support, Navy SEAL teams are attached to the Fleets to support fleet operations or an Army Special Forces Detachment could be given the mission to laser designate a target for Air force or Naval attack aircraft.

In terms of joint exercises, we have been reluctant to add any more to an already full joint exercise plate. I believe the best effort will come from a better job of integrating the exercises that are currently being conducted by the five unified commands. Traditionally during big exercises, you want to get as many people involved as you can. In the past, special operations forces have tended to "go their own way". Such conduct has been a function of the scarcity of both sea and airlift, but primarily airlift. That is dysfunctional because if we go to war, we are going to go with the lift we have. We are addressing those hard issues as well as how we allocate lift both via our joint mission analysis program and through my discussions with the theater CINCs. We are also developing a war game that we will use to train and educate the staffs of the unified commands in how to employ and get the most out of the special operations forces that are available to them.

Question: To what extent must special operations forces communicate with regular forces?

Answer: Special operations forces are required to communicate with conventional forces for deconfliction, support requests (e.g., airlift, fire support, use of Navy ships or submarines), coordination of link-up or joint activities, requests for combat search and rescue support, administrative and logistics support and liaison support to joint operations. This requirement exists throughout all levels of Joint command.

Question: What level of operational risk would be incurred if the planned procurements of radios by the Army for the special operations forces occur prior to evaluating their interoperability with other HF radios used by the Services?

Answer: In the case of planned Army radio buys, we are aware of the capabilities of that equipment and anticipate incurring no operational risks based on their employment. Up to this time, the Services have procured SOF systems on their own, and we are aware of the need to consolidate when necessary to ensure interoperability. That will be accomplished in the long-term by master planning for SOF peculiar equipment. USSOCOM is in the process of identifying and promulgating a set of C3 standards for equipment. These standards are benchmarked against existing SOF and conventional systems and will require any new systems to be compatible. As an example, we intend to equip SOF forces with multi-compatible systems such as the Joint Advanced Special Operations Radio System (JASORS) which is endorsed by our Special Operations Command, Control and Communications Master Plan. In the short-term the SOF will carry the appropriate equipment to communicate with whatever other elements are prescribed, e.g., own forces, surrogate forces, NATO/allied forces, inter-agency forces, etc. When we want troops to communicate with each other, we will provide them with the appropriate equipment and promulgate the appropriate communication plans to achieve that end.

Guard and Reserve Special Operations Force

Question: General Lindsay, forty-three percent of Special Operations Forces are in the Guard and Reserve. Are you comfortable with your command's reliance on Guard and Reserve personnel to fulfill your mission?

Answer: Yes, I am. My active/reserve (AC/RC) force mix is adequate and workable to satisfy requirements for a global war scenario.

There is one area, however, which does need greater attention. That is the amount of time available for Reserve Component Special Forces (RCSF) to train to mission requirements (approximately 39 training days per year). Training requirements for the SF missions of Unconventional Warfare, Direct Action, Special Reconnaissance and Foreign Internal Defense are quite comprehensive and vary significantly. The Mission Essential Task List (METL) development process ultimately refines a unit's specific training requirements to those most essential for accomplishing its wartime taskings. USSOCOM is currently working with the theater CINCs to refine the METL for RC SF units. This process will focus the available training time to prepare units for support of theater CINC requirements. For example, if a theater CINC's concept for employment of SF is primarily for special reconnaissance missions, then the designated RC SF Group would concentrate its training efforts toward that mission. Additionally, USSOCOM, as a member of the Special Forces Military Occupational Specialty Qualification Task Force, identifies specific systemic fixes to increase RC SF qualification levels.

Question: What is the impact of this reliance on your ability to deploy rapidly?

Answer: SOF missions often require force employment at the lower end of the conflict spectrum. During regional conflict or contingency operations the AC/RC mix referred to in the previous question is inadequate because of restrictions placed on deployment/employment of RC forces in situations other than global conflict.

Question: Do you limit the mission of your reserve units to those which do not require rapid deployment?

Answer: No, I do not control the requirements for my reserve units. The theater CINCs establish the requirements for which I must man, train and equip my reserve units. The theater OPLANS I support call for most of my units to be employed before the preponderance of conventional forces deploy from CONUS.

Question: Congress has increased the procurement of Guard and Reserve equipment because of serious shortages in equipment. Do the reserve units in Special Operations have the same problem?

Answer: Our Reserve/Guard unit equipment problems can be solved through modernization. The preponderance of units report high states of equipment readiness, despite aging equipment. Many of the radios, night vision devices and aircraft are Vietnam-era vintage. For example, RC aviation units have been short current generation/modernized aircraft and night vision goggles (NVGs). Respective service programs are slowly rectifying the modernization problems through the procurement of new aircraft and AN/AVS-6 NVGs.

Question: What is the impact on your overall readiness because of equipment shortages among your reserve units?

Answer: (Deleted.)

QUESTIONS SUBMITTED BY SENATOR BYRD FOR GENERAL LINDSAY

SOF Budget

Question: The Department of Defense strongly opposed congressional efforts to establish a special operations command and took what seemed to be an extremely long time in nominating an assistant secretary of defense for special operations and low intensity conflict. Does Special Operations Command now have the assets and resources needed to accomplish its stated mission? Are all three military services fully cooperating with the intent of the law setting up the command? Please indicate whether you are satisfied that you have sufficient authority in the formulation of the Special Operations Command budget in your capacity as Commander in Chief of Special Operations Command.

Answer: Headquarters USSOCOM has 470 (373 military and 97 civilian) manpower authorizations and exceeds the legislated mandatory level of 450. The command currently (April 1989) has 355 military and 92 civilian positions filled. The balance is in various stages of nomination and recruitment. The Services have supported the command's authorized manpower and are assigning top-notch people. USSOCOM will be at its full authorized strength by the end of this fiscal year. However, US Special Operations Command does not yet have all the assets and resources needed to accomplish its stated mission. USSOCOM is currently facing serious manpower problems resulting from the assignment of Program/Budget and

Head of Agency for Acquisition responsibilities. The command identified a broad manpower requirement for 129 positions to support these new missions in its FY 90-94 Joint Manpower Program. The Joint Chiefs of Staff are currently reviewing the detailed request for 41 of these positions to support the program/budget mission. The detailed requirements to support the Head of Agency mission will be submitted later this fiscal year in the command's FY 91-95 Joint Manpower Program.

Except for the long-range air exfiltration mission, the Special Operations Command either has the assets and resources on-hand or has initiated programs to resolve capabilities shortfalls within the current Department of Defense (DOD) Five Year Defense Program (FYDP). For the most part, the Services were cooperative, as much as fiscal budget constraints allowed, in working with the command to continue DOD's efforts to revitalize Special Operations Forces (SOF) through the FY 90-94 FYDP. In regard to service cooperation in setting up the command, all three services so far have supported on-going negotiations to develop necessary executive agreements for establishing procedures to enable the command to carry out program/budget responsibilities for Major Force Program 11 (MFP-11). This command is confident that these agreements, in conjunction with the SOF legislation and the Secretary's direction, should provide sufficient authority to formulate the Special Operations Command program and budget for FY 92-97.

Personnel

Question: Is an assignment in special operations considered career enhancing to the same extent in all the military services? Do you believe that you are getting your share of qualified officers and men?

Answer: Selection for entry into Special Forces is a distinctive achievement recognized in all the Services. The establishment of a separate Special Forces branch in the Army has enhanced career opportunities and increased promotions. In the last two years, officer promotions to Major and Lieutenant Colonel and the top three enlisted grades have exceeded the Army wide average. Navy and Air Force promotion rates for SOF personnel are comparable with their counterparts service wide.

The current high visibility of special operations and the opportunity to be a part of the military forces performing missions particularly essential to today's environment are factors attracting volunteers to serve in special operations units.

Highly selective screening and rigorous qualification courses ensure that the officers and men in our special operations units are of the highest caliber and fully qualified to carry out their mission.

SO/LIC MISSIONS

Question: Special operations and low intensity conflict come under the same assistant secretary at the Department of Defense level. Do you approve of that arrangement or do you think that these two missions are so different that they should be separated?

Answer: We believe it is appropriate that special operations and low intensity conflict be organized within the same secretariat in OSD. Although Special Operations Forces provide a myriad of flexible options for introduction of military forces throughout the operational continuum, it is at the lower end of the conflict spectrum where employment of these forces is most probable. Both special operations and low intensity conflict are inextricably linked when the conduct of strategies to achieve our political objectives require reduced visibility. Only through centralized oversight are we able to achieve the degree of coherence required to ameliorate the conditions that foster insurgencies. Centralization becomes more critical if the introduction of conventional forces is considered, or acted on. A central office within DOD for the integration of Special Operations and conventional assets provides the flexibility to task organize for any given situation.

Combat Talon II

Senator Byrd: A reprogramming request for $125 million was presented to this committee last week for Combat Talon II. What is the status of this program?

General Lindsay: The Combat Talon II (CTII) program is currently in terrain following/terrain avoidance (TF/TA) flight test. Approximately 10% of the flight test is complete with no major problems noted. Eleven MC-130H aircraft are on contract with IBM and the CTII SPO is preparing to go on contract for seven additional aircraft.

Senator Byrd: Why is this money ($125M reprogramming) needed?

General Lindsay: The $125 million reprogramming is mostly to acquire two additional aircraft, plus FY89 TA/TF radars. I support the reprogramming and recommend your expeditious processing of this reprogramming action. If this reprogramming is not approved and funds released by 1 Aug 89 then the SPO will not be able to buy the four FY89 radars (which have a 13 month lead time). Any delay in turning on the radars will result in a radar production break with serious cost and schedule consequences. I do not believe that finding other sources (either DOD or USAF) is a viable option because this will delay the radar turn on. In addition, DOD is withholding some Combat Talon funds pending approval of this reprogramming. Any delay in approval will seriously impact a key element of SOF revitalization.

Senator Byrd: Who determined the sources of funds of this request?

General Lindsay: The Air Force made the decision on which programs would be bill payers for this reprogramming, after, I believe a thorough and careful review of available offsets.

AC130-U

Senator Byrd: What is the status of the AC130-U program?

General Lindsay: It is at critical design review (CDR) approximately four months late. The airframe portion of the CDR was completed 7 Apr 89 with no major exceptions. Avionics software and support CDRs are scheduled for May 89. Software CDR and CDR Wrap-Up are scheduled for Jun 89. Until the CDRs are completed, we will not have a comprehensive view of the design. At this time, the System Program Office (SPO) expects no slip in the Initial Operating Capability (IOC).

Senator Byrd: Will the planned buy of 12 gunships satisfy your special operational requirements?

General Lindsay: Yes. This planned buy will satisfy the SOF force structure certified to Congress.

Senator Byrd: Are there additional requirements for the conventional forces not included in the current program?

General Lindsay: I'm not sure what you are getting at. I believe there was a theater (CINCPACAF) request for some additional aircraft. I recall the number as being six aircraft. There was also discussion about an additional Army/Air Force buy for rear area close air support. I do not believe either of these requests were programmed/budgeted for by the Department of Defense. In summary, I believe there may be conventional force requirements, but I cannot adequately answer your question.

QUESTIONS SUBMITTED BY SENATOR D'AMATO FOR GENERAL LINDSAY

Counternarcotics

Question: General Lindsay, in your statement on page 39 you say that counterinsurgency operations are very similar and applicable to those needed in counternarcotics efforts. Would it be possible for the special operations forces to hone their skills for global action by assisting, when requested, in drug interdiction efforts and thereby expend less on training exercises?

Answer: The basis for the link between counterinsurgency (COIN) operations and counternarcotics (CN) efforts lies in the overall effort of the US Government to help a nation free or protect its society from internal and external threats to its stability. Within that framework, special operations forces (SOF) can offer advisory assistance and training to host nations' (HN) military, and when authorized, police forces in small unit operations and tactics, marksmanship, medical, communications, intelligence support, and supply administration to enhance their capabilities in CN operations. These advisory and training capabilities lend themselves to either COIN or CN efforts. Current CN authorized activities pursuant to training HN forces for drug interdiction efforts allow highly-qualified Army Special Forces and Navy Special Warfare personnel to hone training skills, but are not beneficial in maintaining proficiency in other mission areas such as direct action operations. Air Force and Army special operations aviation units have not been involved in training HN forces; therefore, receive no training benefits. There is some limited potential in replacing or reducing exercise participation with the training of HN drug interdiction forces. However, these efforts would not be a good substitute for exercises which allow employment of Service SOF units to train jointly to improve interoperability and evaluate combat readiness.

Question: General Lindsay, would you give us specifics on the ultra high frequency satellite radio you identified in your statement as being used in the drug interdiction effort? Could we be doing more?

Answer: USSOCOM provides an average of five-six ultrahigh frequency Tactical Satellite (TACSAT) radios per quarter with operators to support US Atlantic Command drug interdiction operations. The deployment period per TACSAT radio and operator is approximately 30 days. TACSAT radios and personnel are currently scheduled through the National Narcotics Border Interdiction System and Department of Defense.

Radios are effective in providing a secure means to relay information on the detection and monitoring of suspect vessels. The actual number of intercepts or apprehensions as the result of TACSAT radio support to the USCG is unknown to USSOCOM.

USSOCOM provides additional anti-drug training support to host nations and US government agencies.

SUBCOMMITTEE RECESS

Senator **Inouye**. The subcommittee will stand in recess until Tuesday, April 18 at 10 a.m. At that time we will receive testimony from the chiefs of our National Guard and Reserve forces.

[Whereupon, at 11:58 a.m. Thursday, April 13, the subcommittee was recessed to reconvene at the call of the Chair.]

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